

# Bailador Technology Investments [ASX:BTI] Shareholder Update

## About Bailador

Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

Bailador provides exposure to a portfolio of information technology companies with global addressable markets. We invest in private technology companies at the expansion stage.

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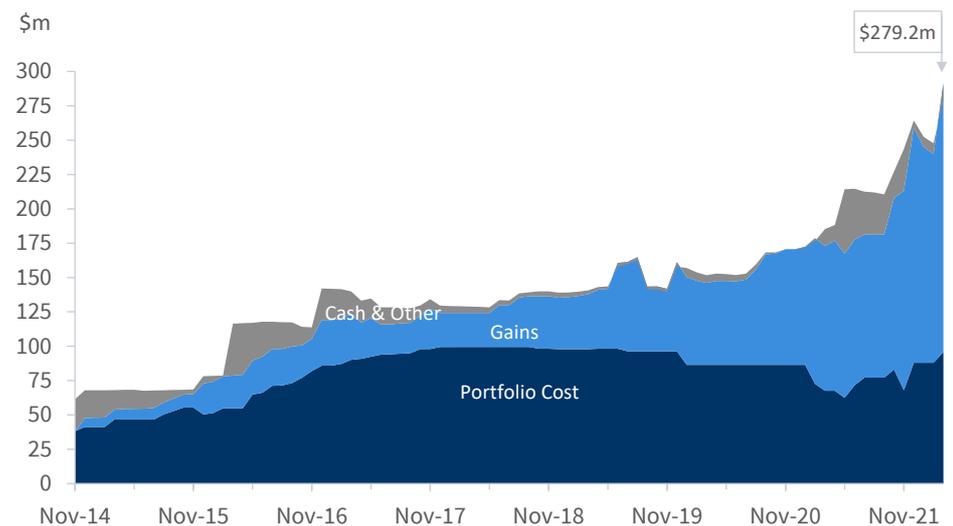
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This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 12 April 2022.

## Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.98
NTA per share post-tax	\$1.68

## Net Tangible Asset Breakdown Since Inception



## Founders' Commentary

### Outstanding realisation of Instaclubr

Shareholders will have seen the announcement on Friday last week that Nasdaq listed US data behemoth NetApp has entered into a definitive agreement to acquire Instaclubr. This is a tremendous result for Instaclubr and for Bailador investors. Our share of the proceeds of the sale will be around AUD\$118 million. The final number is subject to normal final adjustments, and closing proceeds are subject to payment of transaction costs, and dependent on exchange rate fluctuations between now and completion, when the proceeds will arrive in our bank account.

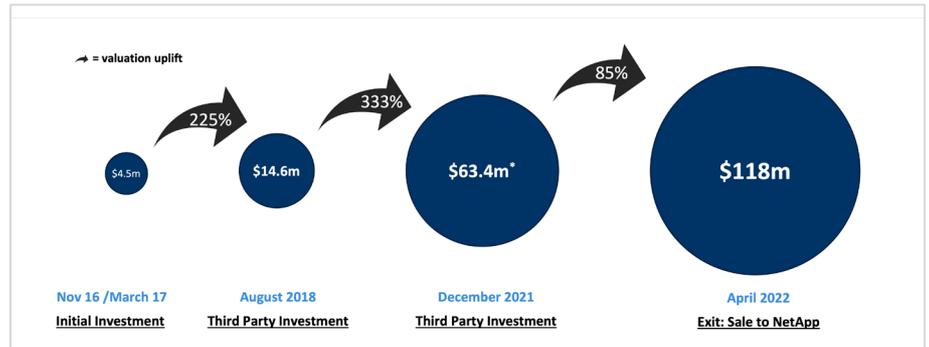
The realisation of our investment in Instaclubr is at an AUD\$54 million or 85% uplift to our current holding value of Instaclubr. This translates to an increase of \$0.38 to the pre-tax NTA of the BTI fund. We lay out these numbers because we want to show and say, as we have many times in the past, that:

1. We hold our investments at conservative valuations. The NTA per share we publish is a conservative estimate of the value of the fund. We demonstrate the conservative nature of our valuations by reporting the EV/revenue multiple for the entire portfolio compared to appropriate indices and companies. This shows that the BTI portfolio revenue valuation multiple is far below the multiples at which these comparable indices and companies trade, and
2. We have had 31 third party investments or realisations in Bailador portfolio companies over the life of the fund and not one of these has been at a discount to the carrying value of the portfolio company at the time.

The first point above makes it clear that the whole portfolio is conservatively valued, and the second point makes it clear that each individual company is conservatively valued.

Below is our record of investment and growth in the valuation of Instaclustr at third party valuations.

There have been three third party transactions since BTI originally invested in Instaclustr in November 2016.



Note: \*Includes \$3.8m BTI investment made in June 2021.

Instaclustr is a great example of what we do. We find great private Australian and New Zealand information technology companies at the expansion stage, invest, join the board and do everything we can to help the company grow. Usually, as we did with Instaclustr, we have opportunities to add to our investment as we go along.

Our experience at Instaclustr is different in degree – the returns are at the upper end of expectations – but entirely consistent in substance to what we do and the results we get across the portfolio. Our realisations of DocsCorp, Lendi and Standard Media Index (SMI), though smaller, followed the same course we experienced at Instaclustr. SiteMinder is of course comparable to Instaclustr in both degree and substance.

The point we are making is we have a consistent and proven model. The evidence demonstrates that what we are doing works well over an extended period of time including through a period of decline in valuations in the information technology sector. We are proud of the business we have created and of the unique access BTI gives to investors, in particular retail investors who would not otherwise have the opportunity to invest in some of the best private expansion-stage information technology companies in this part of the world.

The realisations of our investments in SMI and in Instaclustr will, when complete, deliver a large amount of cash into BTI. We think this is a good time to have cash to invest in expansion-stage information technology companies and we continue to see many interesting opportunities. The board of Bailador Technology Investments will consider a range of capital management alternatives in the coming months in anticipation of the forecast cash availability.

**David Kirk & Paul Wilson**  
Bailador Co-Founders

### Important Notice

Bailador Investment Management Pty Ltd ACN 143 060 511 ('Manager') has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in BTI, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, financial situation or needs. Any investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of BTI and conduct its own investigations and analysis. Past performance is not a reliable indicator of future performance.

## Highlights

### Investment Focus

Bailador typically invests \$5 million or more in businesses within the technology sector that are seeking growth stage investment.

Companies we invest in typically share the following characteristics:

- Run by the Founders
- Two to six years in operation
- Proven business model with attractive unit economics
- International revenue generation
- Huge market opportunity
- Ability to generate repeat revenue

Important verticals we seek to invest in within the technology sector include: SaaS and other subscription-based internet businesses, online marketplaces, software, e-commerce, high value data, online education, telecommunication applications and services.

### Movement in NTA

BTI's NTA per share (pre-tax) at close of March 2022 was \$1.98 (February 2022 \$1.76). Key movements in NTA per share during March were:

Portfolio valuations	
Increase in valuation of Instaclub in line with cash realisation announced on <a href="#">8 April 2022</a>	38.4c per share
Decrease in SiteMinder (ASX:SDR) share price to \$4.52 (February 2022 \$5.70)	-14.0c per share
Increase in valuation of Standard Media Index in line with cash realisation announced on <a href="#">11 March 2022</a>	6.2c per share
Increase in valuation of InstantScripts as part of Bailador's follow-on investment announced <a href="#">31 March 2022</a>	0.8c per share
Decrease in Straker Translations (ASX:STG) share price to \$1.32 (February 2022 \$1.39)	-0.5c per share
Operating expenses	
Provision for performance fee	-4.9c per share
Provision for exit costs on cash realisations	-3.4c per share
Other operating expenses	-0.4c per share

Operating expenses include provision for performance fee not yet payable, with any payment of performance fee dependent on the Company completing FY2022 in excess of the 8% compound hurdle rate.

Bailador has provided for expenses likely to be incurred in completing the cash realisations of Instaclub and Standard Media Index.

### Instaclub

As discussed in our Founders' Commentary, Instaclub has entered into an agreement to be acquired by NetApp. Read more in our [ASX release from 8 April 2022](#).

Instaclub [announced general availability of Instaclub Managed Cadence](#) on its platform. Originally developed and open-sourced by Uber, Cadence is a workflow engine that greatly simplifies the development of complex long-running automated business processes at scale.

### SiteMinder

SiteMinder [launched the next generation of its platform](#) featuring a simpler, more intuitive experience for hotels to sell, market, manage and grow their business. The platform includes real-time insights into customer and market behaviours, website solutions, a new interface, and integrations to the 1,500 highest-ranked hotel software and experts globally, including automated payments.

SiteMinder [held its first-ever global conference, Sync](#). The event was designed to educate and inspire those in the hotel industry in a series of 20-minute sessions.

Jonathan Kenny, SiteMinder CFO, [spoke to CFO Magazine](#) about the how the company has grown since he joined in November 2018.

**Standard  
Media  
index****Standard Media Index**

As announced in our [ASX release on 11 March](#), Bailador has entered into an agreement to sell its investment in SMI for approximately \$20m cash. The sale price represents an uplift of approximately 67% to the previous carrying value of SMI. The valuation uplift of \$8m is an increase of \$0.06 NTA per share (pre-tax). The sale price is subject to foreign exchange movements and final adjustments, including for the level of working capital and net debt (including transaction costs) in SMI at closing. The transaction is also subject to FIRB approval.

**InstantScripts**

As announced in our [ASX release on 31 March](#), Bailador has completed a \$7.7m follow-on investment in InstantScripts. The valuation of the investment round has resulted in a 15% (\$1.2m or \$0.01 per share) uplift to the valuation of Bailador's existing \$7.8m investment in InstantScripts. Bailador's additional \$7.7m investment brings the total investment valuation to \$16.6m. InstantScripts' revenue has grown 109% year-on-year and the business now has over 300,000 users registered on its platform.

**Straker Translations**

Straker Translations published its [presentation from the Ord Minnett Technology Showcase](#). Straker Co-Founder and CEO Grant Straker delivered the presentation which covers Straker's products, market and key customers.

**MOSH****Mosh**

Mosh has [partnered with Melbourne Storm](#) to highlight men's health issues. Mosh has also teamed up with the Parramatta Eels, and the players will be wearing the Mosh logo on the back of their shorts.

**BROSA Brosa**

Brosa Co-Founder and CEO Ivan Lim [spoke to Digital Nation Australia for a video interview](#) on why he was inspired to build the company. Ivan also shared the most important lesson he learned while growing Brosa with [Dynamic Business](#).

## BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review <sup>1</sup>
Instaclustr	117.5	1307%	▲	0.83	✓	Cash realisation expected FY22
SiteMinder	75.5	461%	▲	0.54	✓	Mark to market each month end
Standard Media Index	20.8	181%	▲	0.15	✓	Cash realisation expected FY22
Instant Scripts	16.6	10%	▲	0.12	✓	March 2023
Rezdy	12.8	69%	▲	0.09	✓	October 2022
Access Telehealth	12.5	0%	▶	0.09	✓	December 2022
Straker Translations	12.0	19%	▲	0.09	✓	Mark to market each month end
Nosto	11.5	3%	▲	0.08	✓	May 2022
Mosh	7.5	0%	▶	0.05	✓	December 2022
Brosa	4.5	49%	▲	0.03		October 2022
Cash	7.0			0.05		
Other <sup>2</sup>	-19.0			-0.14		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>279.2</b>			<b>1.98</b>		

Denotes change to valuation in current month

Denotes valuation review in next six months

<sup>1</sup> Next valuation review date refers to the date of the next formal valuation review. Valuation events can also occur in a shorter time frame where there is a third-party investment or a valuation change material to BTI.

<sup>2</sup> Includes provision for performance fee not yet payable, with any payment of performance fee dependent on the Company completing FY2022 in excess of the 8% compound hurdle rate.

<sup>2</sup> Includes provision for transaction expenses expected on cash realisations to be completed in FY22.

**Please Note:** Figures in this report are unaudited and exclude tax. The current value for each investment in the table above is consistent with the BTI investment valuation policy, which may be found in the BTI prospectus lodged with ASIC on 3<sup>rd</sup> October 2014 and available on the ASX website.

## Portfolio Company Details



Name:	Instaclustr	SiteMinder	SMI	InstantScripts	Rezdy
Type:	DBaaS/B2B	SaaS/B2B	SaaS/Big Data	Digital Healthcare/B2C	SaaS
About:	Open source data platform for cloud-based solutions that require immense scale	World leader in hotel channel management and distribution solutions for online accommodation bookings	Big data aggregation and analysis platform with exclusive access to ad expenditure data	Digital platform enabling convenient access to high quality doctor care and routine prescription medication	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities
HQ:	Canberra	Sydney	New York	Melbourne	Sydney
Staff:	100-250	750-1000	1-50	1-50	100-250



Name:	Access Telehealth	Straker Translations	Nosto	Mosh	Brosa
Type:	Digital Healthcare/B2C	Marketplace/Machine Learning	SaaS/B2B	Digital Healthcare/B2C	Online Retail/B2C
About:	Specialist telehealth platform connecting Australian communities to high-quality healthcare	Digital language translation services provider and one of the world's fastest growing translation companies	Leading AI-powered e-commerce personalisation platform	Digital healthcare brand making men's health and wellness easily accessible via subscription treatment plans	Tech-led, vertically integrated furniture brand and online retailer
HQ:	Melbourne	Auckland	Helsinki	Sydney	Melbourne
Staff:	50-100	100-250	100-250	1-50	50-100