

INVESTMENT OPPORTUNITY

November 2016

Bailador Technology Investments Limited (ASX:BTI)



Bailador provides investors with unique exposure to a portfolio of **private expansion-stage information technology** companies with **global** addressable markets and **extensive downside protection**.

A team of specialist technology investors



David Kirk
Co-Founder & Managing Partner

- Former CEO of Fairfax Media, where he led the acquisition of Trade Me and Stayz.com
- IPO investor in Xero
- Chairman of Trade Me and Kathmandu
- Director of Forsyth Barr
- Captain of the All Blacks
- Rhodes scholar to Oxford



Paul Wilson
Co-Founder & Managing Partner

- Former Director of CHAMP Private Equity, and previously Metlife (London)
- Executive Director of Illyria Pty Ltd (Lachlan Murdoch)
- Director of Yellow Pages (New Zealand), the Rajasthan Royals (IPL cricket) and Vita Group
- B. Bus from QUT
- FINSEA Fellow and qualified CA



Andrea Kowalski
Investment Director

- 10 years Venture Capital and Investment Banking
- Principal at London-based BOOST&Co (EUR 250m), managing investments in Germany (based in Berlin)
- Associate Director with UBS in London
- MBA from INSEAD (D'09)
- B. Comm from McGill (Montreal, Canada)



James Johnstone
Investment Director

- Founding Director of Mozo (online marketplace) that won multiple Deloitte Fast 50 and BRW Fast Starter Awards
- Strategy consulting and corporate development with Virgin Travel and Virgin Financial
- Bachelor of Accounting (UTS) and qualified CA



Michael Hayes
Investment Manager

- Buy-Side Equity Research Analyst at Boulevard Capital Management (US Equity Hedge Fund)
- Corporate Strategy Associate at The Walt Disney Company (Los Angeles)
- BA (Economics) from Harvard University



Georgina Brown
Investment Manager

- 6 years combined experience in investment banking and enterprise (SaaS) sales
- Enterprise Sales Executive with Rackspace
- Investment banking analyst with Lazard
- Dual Bachelor in Commerce and Economics & Finance from The University of Queensland

The investment team has personally invested over \$11 million BTI shares

Solid macro drivers underpin the sector's

The technology sector has demonstrated sustained growth industry-wide; It's not a dot.com bubble

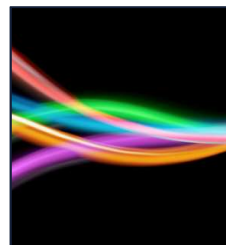
Drivers



Digitization of information



Increased computing power



Broadband proliferation



Smart Devices



Cloud Computing



Big Data

Impact

Changing industry dynamics

New markets, services and business opportunities enabled by technology

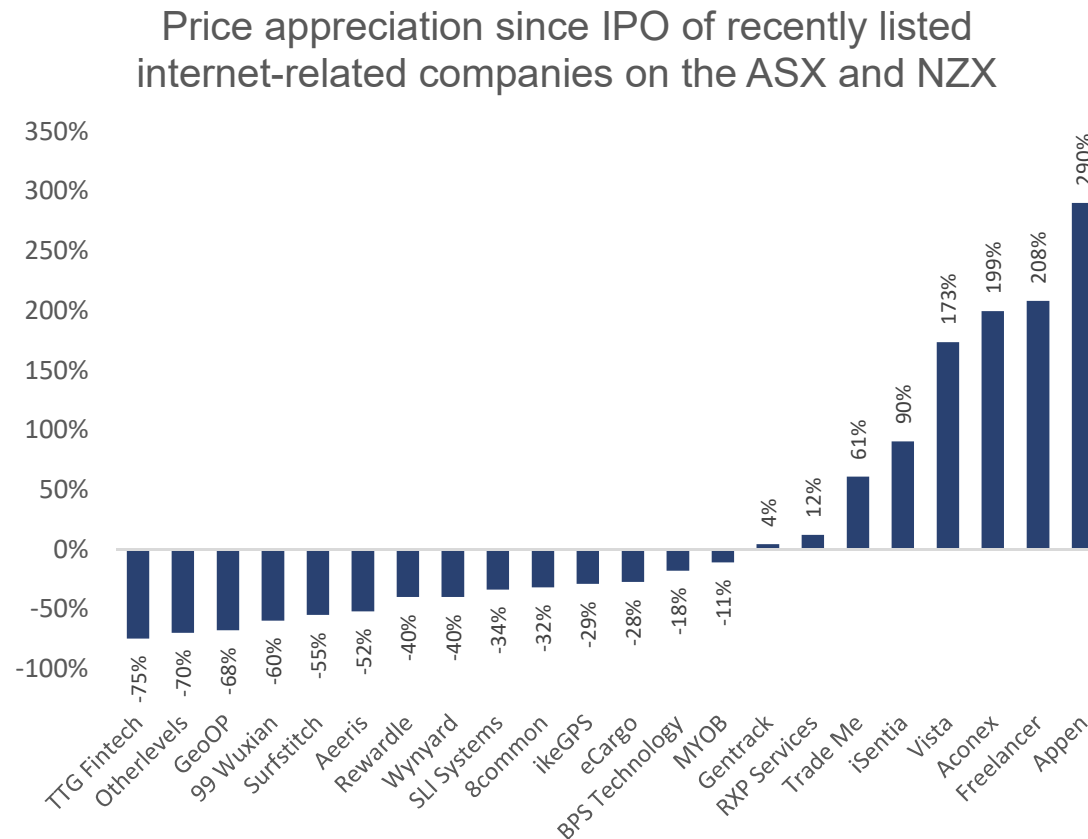
New companies thriving on innovation and disruption of traditional industry structure

Portfolio Balance

The technology sector is well established as a credible portfolio allocation

Sector	Schwab Sector View	Share of the S&P 500 Index
Information Technology	Outperform	21%
Financials	Outperform	13%
Health care	Marketperform	15%
Consumer discretionary	Marketperform	12%
Consumer staples	Marketperform	10%
Industrials	Marketperform	10%
Energy	Marketperform	7%
Materials	Marketperform	3%
Utilities	Underperform	3%
Telecom	Underperform	3%
Real estate	Marketperform	3%
S&P 500® Index (Large Cap)		

... but investment in internet-related companies requires specialist knowledge and expertise

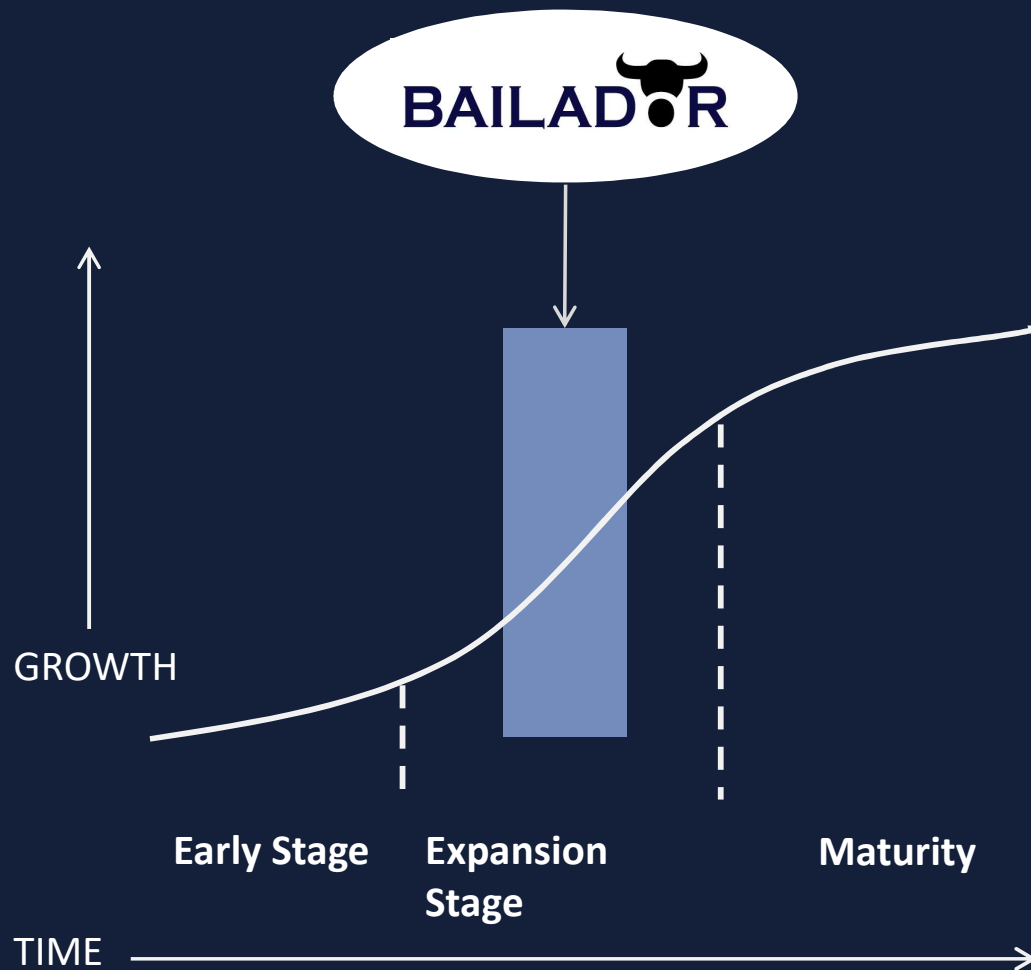


The technology sector can deliver exceptional returns, but there is also increased risk in individual investments

BTI's core investment approach



What does 'Expansion Stage' mean?



- ▶ Technology is de-risked compared to early-stage companies
- ▶ Proven revenue generation capability (typically with \$2-20m of revenue in the twelve months prior to BTI's initial investment)
- ▶ Proven management capability – 2 to 6 years of operation and run by the founders
- ▶ Global addressable market with a significant portion of revenue generated internationally, and clearly identified growth opportunity
- ▶ Closer to exit via trade sale or IPO than 'start-ups' and early-stage businesses

BTI's investment criteria

Bailador's access to high quality deal flow enables it to focus on investments that meet key investment criteria

- × No start-ups
- × No biotechnology businesses
- × Material capital not required to scale



- ✓ Huge Global Addressable Markets
- ✓ Rapid growth
- ✓ Potential to return a 3-10x multiple of entry cost

Risk Management

Bailador manages risk through capital structure seniority, contractual rights and deep involvement with management

Risk Management Feature	Implication
Seniority in capital structure	Bailador gets its money out first on sale of the company
Ability to sell 100% of the company	Bailador can't get "stuck" in an investment
Control of capital structure and pre-emptive rights	Bailador must approve all new debt or equity can be issuance; cannot be diluted without agreement
Mandatory board representation	All portfolio investments have a Bailador representative on the board of directors
Access to all information and veto rights on important decisions	Bailador understands exactly what is going on in portfolio companies and must agree before important decisions are taken
Management change rights if underperformance	Bailador can appoint new managers if necessary

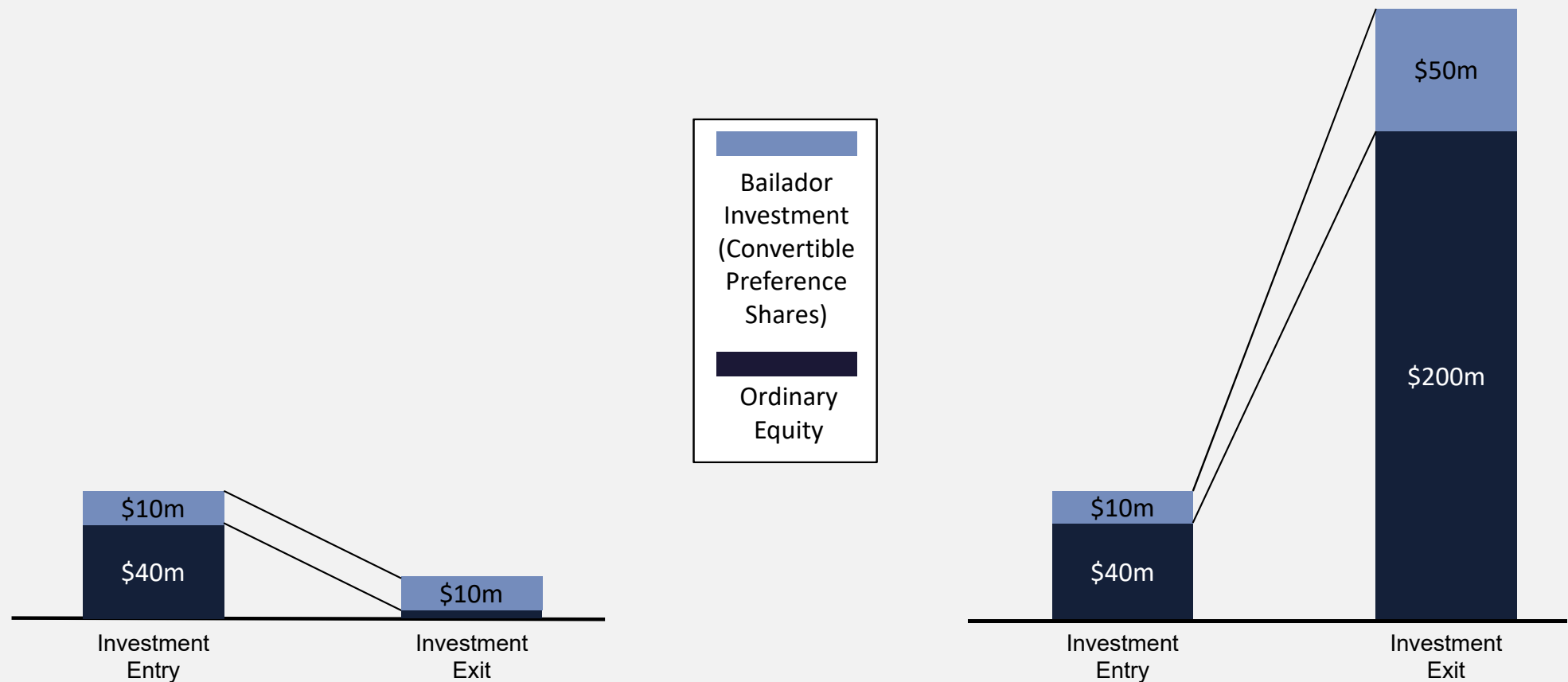
BTI retains exposure to the full equity upside

Capital Structure Protections & Upside

All principal invested is protected as long as the whole business is sold for > BTI cost, with conversion rights enabling full upside participation

'Downside' Example

'Upside' Example





**Investment
Highlights**



**Portfolio &
Valuation**



**Investment
Opportunity**



Investment Highlights

BTI investment outperformance against indices

BTI investment performance has demonstrated superior returns to leading equity indices since its IPO in November 2014

	As at 30 June 2106	Annual Return	
	BTI Portfolio	18.3% p.a.	
	All Ord	2.0% p.a.	
	ASX 200	2.1% p.a.	
	S&P 500	10.3% p.a.	

Notes:

BTI Portfolio Return:

NTA since IPO annualised (post-management fees, pre-tax); audited

BTI Valuation:

Valuations are based on third-party investment or cost + accrued interest; audited

Total Return (Indices):

Based on the price movements and assumes all cash distributions are reinvested. Annualised from BTI IPO to 30 June 2016.

BTI is an Absolute Return investment

BTI's share price over the last 12 months shows minimal correlation to the ASX 200



BTI: 18.1%

XJO: 3.4%

BTI may re-rate from discount vs NAV to premium

- BTI currently trades at a discount to its Net Asset Value per share.
- This would be typical for a LIC which invests in tradeable securities.
- But BTI is unique in that it only invests in private companies.
- The valuation approach is conservative, based on cost or latest third party investment valuation.
- The NAV carrying value is likely to contain embedded upside from continued portfolio valuation growth achieved since the previous third party investment event.

International peers holding investments in private technology companies trade at a premium to NAV

Figure 1: Bailador peer valuation group

	Listing	Net Assets	NAV p/s	Share Price	Premium to NAV
IP Group	LSE	£782m	£1.44	£1.63	13%
Imperial Innovations	AIM	£420m	£3.07	£4.21	37%
TMT Investments	AIM	£53m	£1.91	£2.03	6%
Allied Minds	LSE	£96m	£0.45	£3.59	703%
Mercia Technologies	AIM	£80m	£0.38	£0.50	31%
Median					31%
Weighted Average					67%

Source: Factset

Key investment highlights for BTI

Investment Outperformance

BTI investment performance has materially outperformed leading equity indices

Absolute Return

BTI is an absolute return investment; performance has low correlation with macroeconomic-driven market movements

Conservative Valuations

BTI employs a conservative valuation approach (third party investment or cost plus accrued interest), resulting in embedded upside in the portfolio

Re-rating Potential

The BTI share price is currently a discount to NAV, providing investors exposure to the investments in the underlying companies at less than their carrying value. BTI could be expected to trade at a premium, as its international peers do, with a realization being the likely trigger for that share price appreciation.

Outstanding Global Growth Portfolio










BTI provides exposure to an exceptional portfolio of information technology investments in high quality, high-growth, global companies



Portfolio & Valuation

BTI provides immediate exposure to an established portfolio with material upside prospects

31 Oct 2016

	Value (\$m)	Position & Upside Potential	
 SiteMinder	31.3	World leader in travel distribution technology with over 20,000 subscription customers, growing rapidly in a strategically valuable space	↑
 VIOCORP	28.9	Regional leader in online video with proven model able to be expanded globally; Recent significant US win	↑
 straker TRANSLATIONS	8.6	Straker Translations is a technology leader in the huge and growing international translation market	↑
 Stackla	7.4	Stackla aggregates User Generated Content (UGC) from sites such as Facebook, Twitter, Instagram & YouTube, which is extremely valuable for brand marketing.	↑
 SMI STANDARD MEDIA INDEX	6.4	Established big data model with US presence and global prospects; Recent new product launch and big customer win	↑
 iPRO SOLUTIONS	5.5	Leading tech platform in the rapidly growing compliance and security space with enormous potential upside	↑
 DocsCorp	5.0	Leading provider of cloud & desktop productivity software with over 250k end users	↑
 ClickLoans	4.0	End to end online loan platform and mortgage product in multi billion dollar sector	↑
 rezdy	3.5	Rezdy is an online SaaS package for Tours & Activity providers and a B2B marketplace for resellers (i.e. hotel concierges, OTAs, visitor centers).	↑
Cash / Other	13.5		
Total NAV:	114.2	▶ NAV per share of \$1.13	

Combined revenue of the BTI portfolio companies is over \$100m

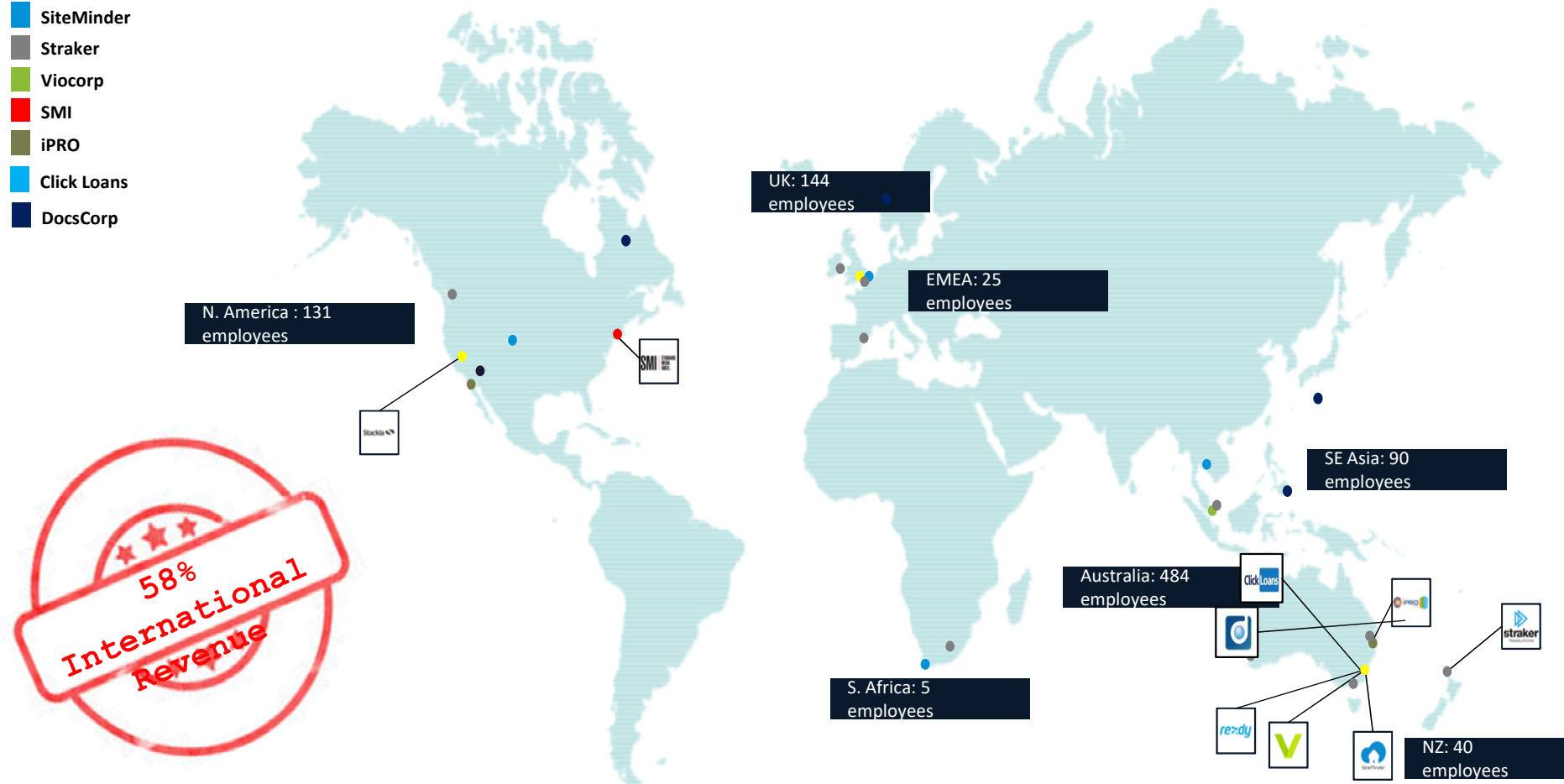


Portfolio revenue growth in FY16 was
39%

A portfolio with a demonstrated global

BTI's portfolio is headquartered in 3 countries, with offices in 12 countries, across 21 cities, employing a total of 815 people*

- Rezdy
- Stackla
- SiteMinder
- Straker
- Viocorp
- SMI
- iPRO
- Click Loans
- DocsCorp





Investment Opportunity

A technology focused investment company

BTI is the only expansion focused technology investment company listed on the ASX

Access to the high growth technology sector

- Technology is reshaping almost every industry
- Creating high growth companies with huge potential upside
- Access to these companies is available through Bailador

Reduced risk compared to direct investing

- Expansion stage investing in proven business models (not start-ups), reducing risk
- Capital structure preference in each portfolio company, reducing risk
- A portfolio of investments, reducing risk

An experienced specialist manager & established portfolio

- Specialist technology sector expertise
- Hundreds of opportunities reviewed
- Board involvement in each portfolio company
- Portfolio investment returns since IPO of 18.3% pa after all fees

Re-rating potential

- The Bailador portfolio investments are in private companies that cannot be accessed any other way
- Currently trading at a discount to NAV
- Peers in the UK trade at significant premiums to NAV

Dividends and Manager Remuneration

Dividends

- Cash dividends will be paid when portfolio investments are sold.
- Dividends will be franked.
- The Manager intends to retain enough cash to fund one year of investment.

Manager Remuneration

- The Manager receives a management fee of 1.75% of the value of the fund, from which all the costs of managing the portfolio must be paid.
- **When investments are sold and cash is received in the fund**, the Manager has a right to a performance fee of 17.5% of the increase in the value of the Fund, subject to a compound 8% hurdle rate of return.

Franked dividends will be paid as investments are realised.

The Manager does not get paid any Performance Fee on unrealised gains. Cash must first be received in the Fund from realisations.



Appendix

Investment Portfolio Profiles

The BTI Portfolio: SiteMinder

SiteMinder is the world leader in hotel channel management and distribution solutions for online accommodation bookings

BTI Cost

- \$13.8m

Current Value

- \$31.3m

Business Features

- Established customer base of over 20,000 hotels (world's largest)
- Recurring subscription revenue model
- Proven international expansion (already ~75% of revenue is international)

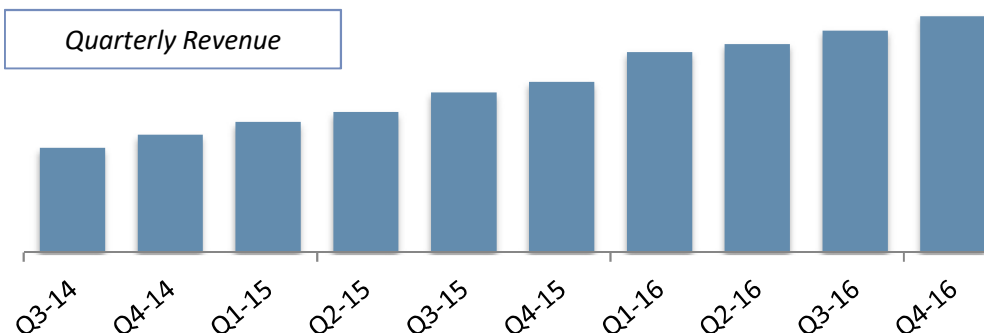
Recent News

- Office opened in Galway, Ireland to cost effectively support rapid global growth
- Additional product features improving revenue per hotel and stickiness
- CEO E&Y Entrepreneur of the Year national finalist

What excites us

- ★ The world leader in its space for technology, market position, and scale
- ★ The travel industry is a huge market being transformed by technology. SiteMinder has an enviable strategic position in this transformation
- ★ The management team is outstanding
- ★ SiteMinder has the capacity to become an extremely large company
- ★ Given its SaaS business model, the company produces very consistent top-line growth

Quarterly Revenue



The BTI Portfolio:

Viocorp is a leading cloud based video management, storage and distribution platform for government and corporate enterprises

BTI Cost

- \$22.8m

Current Value

- \$28.9m

Business Features

- Cloud based video management platform
- Blue chip government & corporate customer base in Australia/US
- Recurring license fee revenue

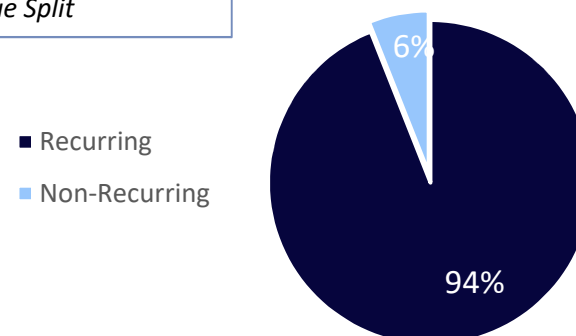
Recent News

- Recently signed its first US customer, the worlds largest cloud infrastructure provider
- 66% increase in average license revenue per new customer in FY16
- Land and expand strategy working - Net positive \$ churn rate for FY16

What excites us

- ★ Viocorp has proven its technology is as good as any in the world
- ★ Video is becoming the communication platform of choice for government and enterprise across multiple use cases
- ★ Major logo wins in FY16 and FY17; international client wins
- ★ Cloud-based recurring enterprise license and webcast revenue scales profitably

FY16 Revenue Split



The BTI Portfolio: **straker** TRANSLATIONS

Straker is a leading provider of cloud-enabled translation services in more than 80 languages, leveraging its proprietary platform to scale globally

BTI Cost

- \$7.5m

Current Value

- \$8.6m

Business Features

- More than 20,000 customers and a network of 10,000+ translators
- API integrations with major content platforms
- Proven international expansion (already > 80% of revenue is outside of NZ and Australia)

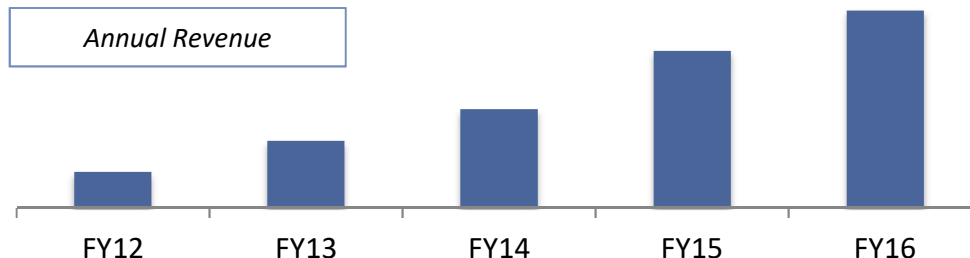
Recent News

- Launched API integrations with Magento and Wordpress
- Closed its first acquisition in Ireland with further bolt-on acquisitions under consideration
- Key senior hires secured in US & UK

What excites us

- ★ A leading hybrid platform that combines machine learning, big data technology and thousands of on-demand pre-qualified human translators
- ★ Large global market estimated at US\$40B, underpinned by structural trends (globalisation, increased content published online and a growing middle class)
- ★ Highly experienced management team
- ★ Industry leading margins underpinned by Straker's superior technology platform
- ★ Able to scale through acquisition of smaller operators and take advantage of Straker's superior platform efficiencies

Annual Revenue



The BTI Portfolio: **Stackla**

Stackla is a leading proprietary social marketing platform that integrates user-generated content throughout a brand's digital marketing channels

BTI Cost

- \$6.4m

Current Value

- \$7.4m

Business Features

- More than 500 customers including Virgin Holidays, Jimmy Choo, SKY, World Rugby, Ford, DFAT, Disney
- Strong repeat customer base
- Proven international expansion (already > 50% of revenue is outside of Australia)

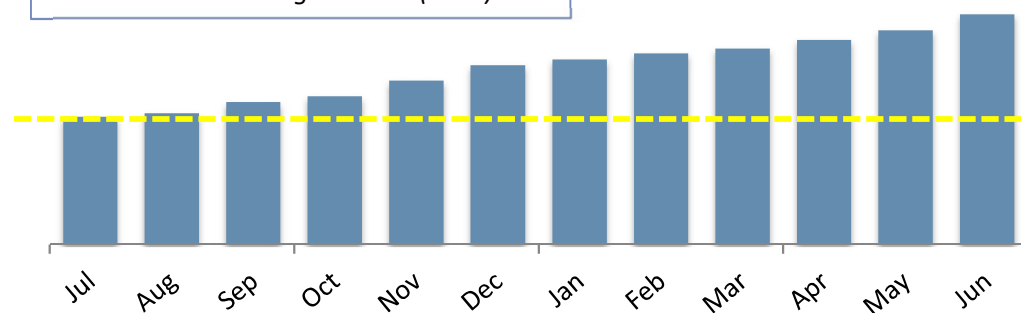
Recent News

- Expanding senior management team in San Francisco
- New integration capability with billion dollar CMS platforms
- CEO E&Y Entrepreneur of the Year regional finalist

What excites us

- ★ Proprietary, scalable, and flexible API-driven platform with an exceptional UI/UX
- ★ Large addressable global market; social validation is becoming relevant for nearly every industry
- ★ Excellent management team and global organisation structure established
- ★ Broad customer base (from SME to Enterprise) including blue-chip, ASX 200, companies
- ★ ARR nearly doubling year-on-year

Annual Recurring Revenue (FY16)



The BTI Portfolio: **SMI** Real Time Real Data Real Insight

SMI is a data analytics platform that aggregates unique advertising spend data in 37 countries

BTI Cost

- \$6.4m

Current Value

- \$6.4m

Business Features

- Exclusive provider of aggregated actual advertising spend data
- Dominant position established in the Australian market
- Recurring revenue model
- Data secured in 37 countries

Recent News

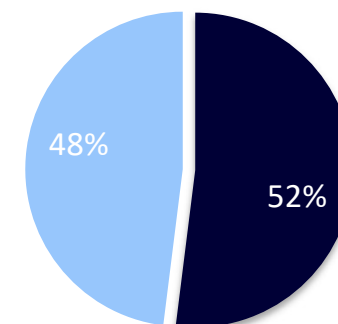
- New 'full market' product launched combines SMI data with 3rd party data sets to deliver deeper insights
- New commercial agreements signed with media agencies
- Launched News Media Index for the Australian newspaper industry

What excites us

- ★ SMI has exclusive access to very valuable data, and has developed a sophisticated platform to extract and generate valuable commercial insight from that data
- ★ SMI has a business model that scales extremely efficiently
- ★ There is a huge global opportunity for SMI with exclusive access to data in 37 countries around the world.
- ★ The new full market products open up a new customer base and upselling opportunities

H1 CY16 Revenue Split:

- Australian
- International



The BTI Portfolio:



iPRO is a specialised provider of cloud based vendor compliance management software that helps enterprises efficiently manage their vendor risk

BTI Cost

- \$8.5m

Current Value

- \$5.5m

Business Features

- Cloud based vendor risk management software platform
- Offers clients a 24/7 web based data verification portal of vendor, supplier and employee information
- Established broad customer base
- Recurring revenue model

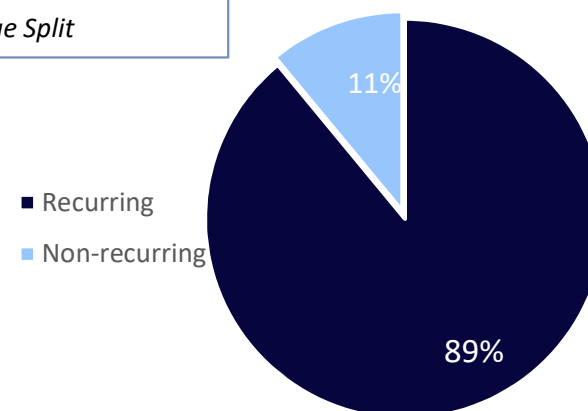
Recent News

- Continued pipeline of blue chip sales opportunities emerging
- Delays experienced in platform upgrade
- New revenue opportunities now emerging from platform upgrade

What excites us

- ★ Takes advantage of major industry trends:
 1. outsourcing,
 2. increased risk management
- ★ Utilises world leading technology to more efficiently meet the needs of its clients
- ★ Huge opportunity in international markets
- ★ A pipeline of new and contracted corporates that would allow the Australian business to grow multiple times

FY 16 Revenue Split



The BTI Portfolio: DocsCorp

Your documents. Integrated.

DocsCorp is a leading global provider of desktop and cloud based productivity software to specialist segments of the USD\$24bn enterprise content management market

BTI Cost

- \$5.0m

Current Value

- \$5.0m

Business Features

- Market leading product suite which integrates with 30+ enterprise content management systems
- >3,500 clients and 250k end users
- 80%+ of revenue generated outside of Australia

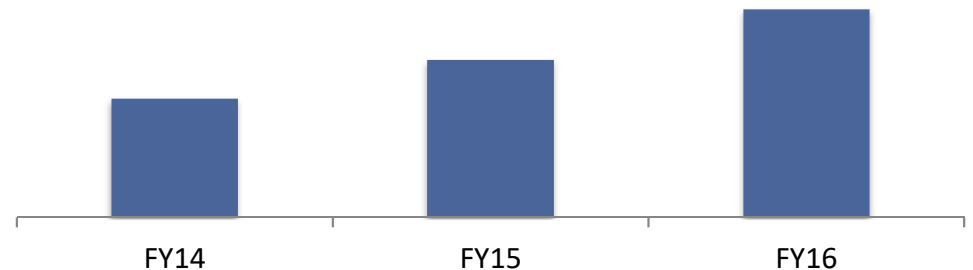
Recent News

- Cloud functionality being enabled across the product suite
- CompareDocs add-on to be available to 300m+ Microsoft365 users
- New Pittsburgh and London offices opened as part of international expansion

What excites us

- ★ Clear product leadership in each of its product categories
- ★ Established base of >3,500 corporate, professional services and government clients
- ★ Strong growth opportunities in its existing markets with the newly launched cloud product to open up attractive new markets
- ★ Highly experienced management team with a track record of building businesses
- ★ Revenue in the double digit millions, EBITDA profitable and compelling unit economics

Annual Revenue



The BTI Portfolio: ClickLoans

Click Loans Group is an end-to-end online home loan platform (Lendi) and mortgage product (Click Loans)

BTI Cost

- \$4.0m

Current Value

- \$4.0m

Business Features

- End-to-end online process, from application through to settlement
- Compares over 1,600 home loans from 40 lenders
- Bank-level security
- Scalable platform that leverages big data and machine learning

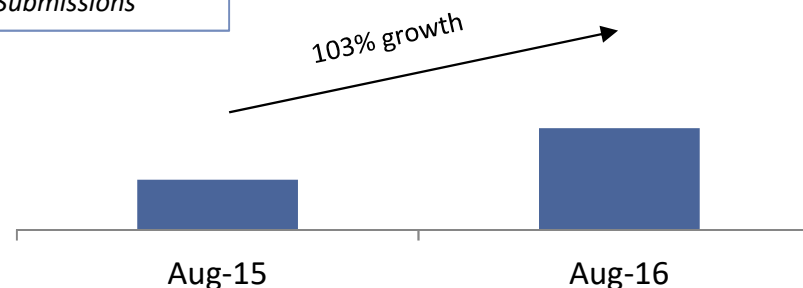
Recent News

- Closed \$25m equity round in Jun-16
- Launch of Lendi in Aug-16
- Recently hired Head of Analytics and Insights
- Invite-only to Goldman Sachs FinTech Conference in New York

What excites us

- ★ Australia's first 100% online home loan platform
- ★ Addressing a multi-billion dollar industry in Australia alone
- ★ Market dominated by the Big 4 who have struggled with rapid innovation
- ★ Leveraging increasing consumer trend to procure financial products entirely online
- ★ Exceptional management team with significant entrepreneurial experience
- ★ Steady net increase in submission volumes

Submissions



The BTI Portfolio:

Rezdy is an online SaaS package for Tours and Activity operators and a B2B marketplace that aggregates tours and activities for agents

BTI Cost

- \$2.5m

Current Value

- \$3.5m

Business Features

- Over 1,500 active customers with 25,000 tour & activity products
- Processed \$1.2 billion in bookings for its customers
- 55% of revenue generated outside Australia
- Presence in 83 countries

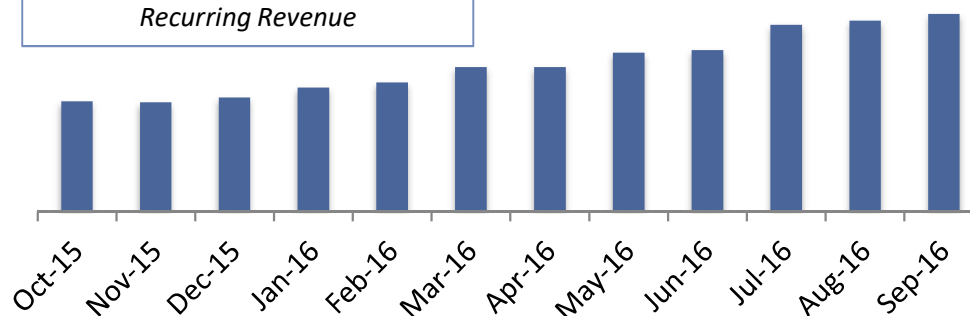
Recent News

- Strategic partnership with Expedia (one of 4 to do so worldwide)
- Other major partnerships with Haiwan (Chinese OTA), TicketMates, Getyourguide (German OTA), and i-SITE New Zealand (80 visitor information centers)

What excites us

- ★ Well positioned in the lucrative and growing \$30bn tourism market
- ★ Fragmented market with no clear market leader
- ★ Highly scalable business model & sticky product
- ★ Opportunity to leverage our experience working with SiteMinder to bring the company from Australian leader to clear global market leader
- ★ B2B marketplace a unique differentiator
- ★ Steady net increase in recurring revenue month-on-month

Recurring Revenue



FURTHER INFORMATION

Website:

www.bailador.com.au

Investor Enquiries:

investorservices@bailador.com.au

Telephone:

+61 2 9223 2344

Bailador Technology Investments Limited (ASX:BTI)

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