



SHAREHOLDER UPDATE

February 2016

Bailador Technology Investments Limited (ASX:BTI)



Bailador provides investors with exposure to **expansion-stage information technology** companies with **global** addressable markets and **high growth** opportunities.

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

NTA Premium over Option Exercise Price



The NTA is at a 25% premium to the BTI Option exercise price, providing investors exposure to the investments in the underlying companies at less than their value

Conservative Valuations



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

Outstanding Global Growth Portfolio



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

BTI investment outperformance against indices

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

	As at 31-Dec	Annual Return	
	BTI Portfolio	24.5% p.a.	
	All Ord	5.3% p.a.	
	ASX 200	4.4% p.a.	
	S&P 500	1.2% p.a.	

Notes:

BTI Portfolio Return:

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

BTI Valuation:

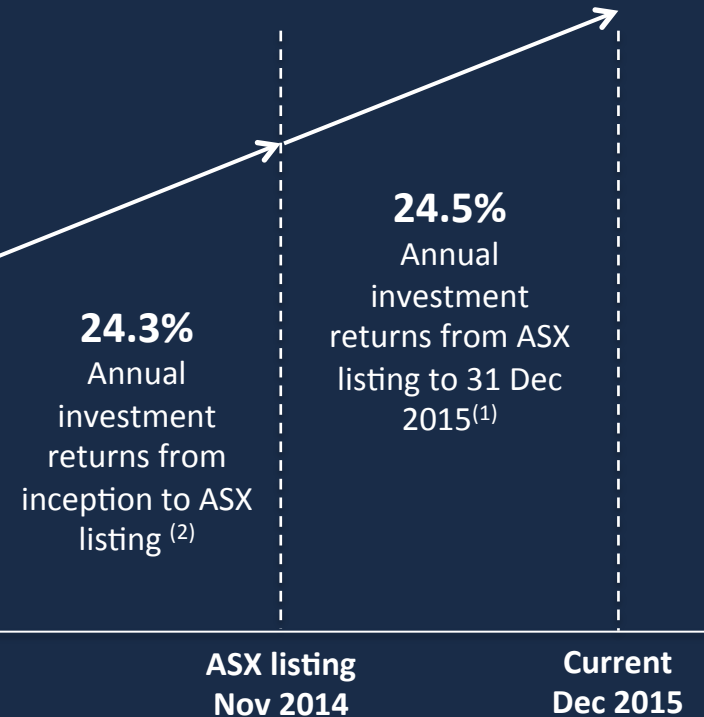
Valuations are based on third-party investment or cost + accrued interest; audited

Total Return (Indices):

Based on the price movements and assumes all cash distributions are reinvested. Annualised from BTI IPO to 31 December 2015.

A demonstrated track record of premium returns

Bailador has consistently produced premium returns over 5 years from investing expansion capital in the information technology sector



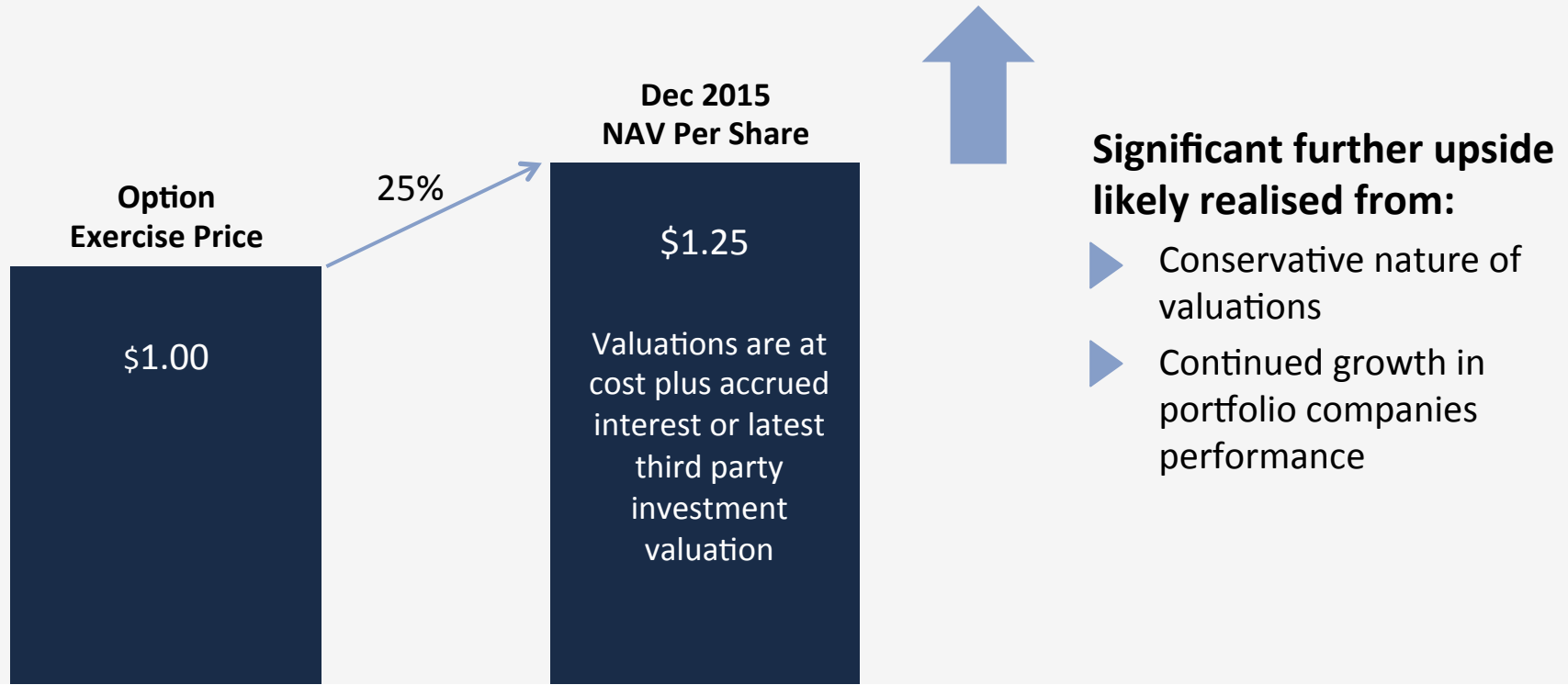
BTI is an Absolute Return investment

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



Material upside to the BTI Option exercise price

The existing BTI portfolio NAV per share represents significant upside to the exercise price, with further upside from continued portfolio growth



Continued commitment from Partners

BTI's founding partners intend to exercise their options in full, investing \$5.6m further cash to double their commitment to the fund to \$11.3m



David Kirk, Co-Founder



Paul Wilson, Co-Founder

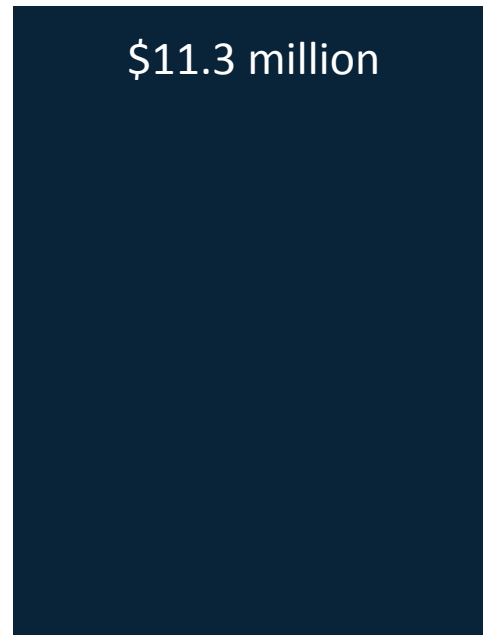
Initial Investment



\$5.7 million

David Kirk & Paul Wilson

Post Option Exercise



\$11.3 million

David Kirk & Paul Wilson

BTI's core investment approach

Invest in companies with a proven business model, global addressable market, and \$2-10m of revenue

Engage with companies and management for 3-6 months prior to extensive due diligence

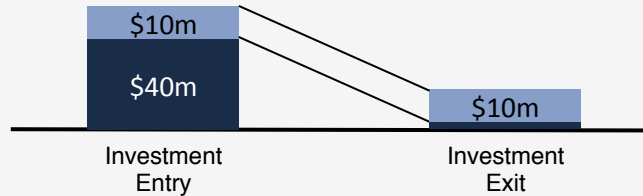
Mandatory board representation; provide extensive help through contacts, org. design, capital raising etc.

Put in place capital structure and contractual terms that provide downside protection while giving full upside exposure

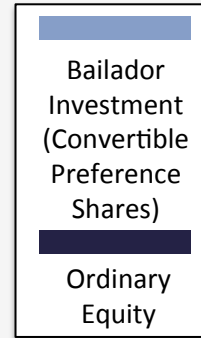
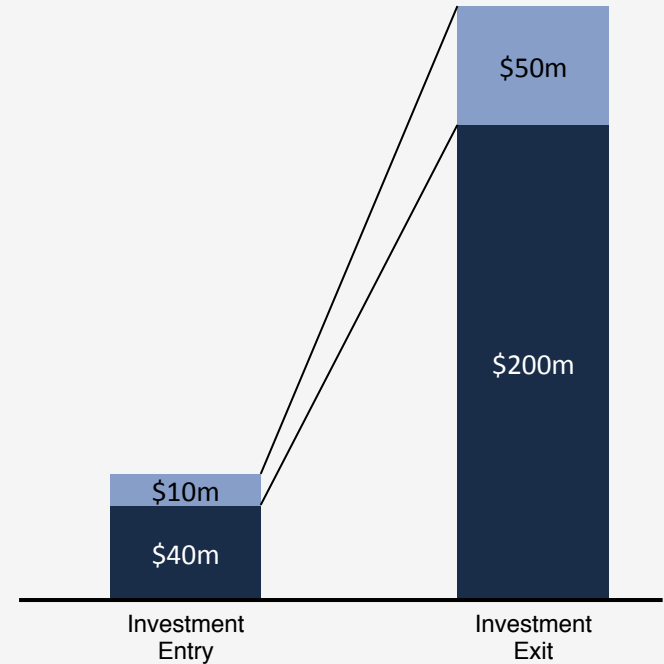
Capital Structure Protections & Upside

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



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



**Portfolio &
Valuation**



**Upside
Potential**



**BTI Options
(BTIO)**



Portfolio & Valuation

A snapshot of BTI's portfolio



SaaS
High growth
Global

Online platform for Tours and Activities & B2B marketplace aggregating for resellers



SaaS
>75% growth
Global

Social marketing platform that aggregates & integrates user-generated-content across the marketing stack



Scalable
>35% growth
Global

Hybrid machine & crowd-sourced human translation platform in more than 80 languages



Leading tech
>25% growth
Huge market

Specialist provider of cloud based vendor management software



SaaS
High growth
Global leader

Channel management and distribution solutions for online hotel & accommodation bookings



SaaS
>60% growth
AUS Leader

Enterprise cloud platform for video, storage, transcoding and broadcasting through web, IPTV and mobile



Scalable
Strategic
Huge market

Independent aggregator of a unique source of advertising data in 53 countries

Portfolio
Revenue
Growth CY15:
42%

A portfolio with a demonstrated global market

BTI's portfolio is headquartered in 3 countries, with offices in 10 countries, across 18 cities, employing a total of 625 people*



Blue chip customer wins in 2015

Examples of the outstanding quality of customers within BTI's portfolio



JIMMY
CHOO



Google



FitnessFirst



Recent news from the portfolio



January 11, 2016

Expedia And Rezdy Partner
To Disrupt Online
Distribution Market For
Tours And Activity
Business

SiteMinder partners with Priceline.com to offer
hotels an advanced way to distribute inventory
online



Posted January 14th, 2016



Straker raises a further \$1 million for global
acquisitions

Wednesday, 16 December 2015, 2:09 pm
Article: BusinessDesk



Game, set, match! User-generated
content aces the Australian Open
Grand Slam

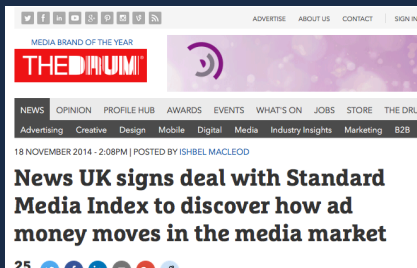
No more puns, I promise. The Australian Open is the first Grand Slam tennis
event of the calendar year, drawing the world's top tennis talent and the
second highest attendance on the ATP tour. In 2016, a number of brands have
tapped into the vast array of user-generated content (UGC) produced by
passionate tennis fans [...]



Stackla Powers First Lady Michelle
Obama's Better Make Room
Campaign

The White House has tapped Stackla to power the Better Make Room
campaign, championed by First Lady Michelle Obama as part of her Reach
higher initiative. Stackla's technology is being used to aggregate social content
from participants on the homepage of bettermakerroom.org and power the
campaign's digital billboards in Times Square. Your future is [...]

Our portfolio in the news



News UK has struck a deal with Standard Media Index (SMI), a system which aggregates real advertising expenditure directly from the booking systems of the world's leading media agencies.

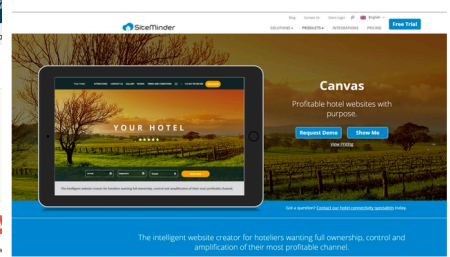
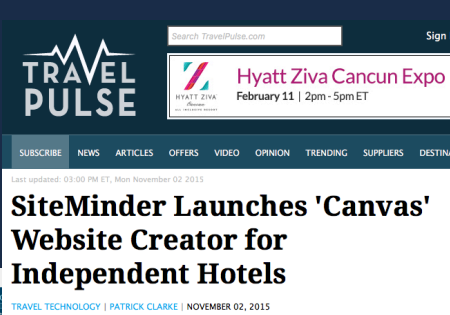
Dominic Carter, commercial director of News UK, said: "SMI's data gives us real world market insight which we are confident will help focus our sales teams in driving sector growth."

"With changes in the media ecosystem happening faster than we anticipate changes before they happen, identify threats and leverage very opaque market."

The tool collects agency spend from the booking systems of five holding groups, as well as leading independents.

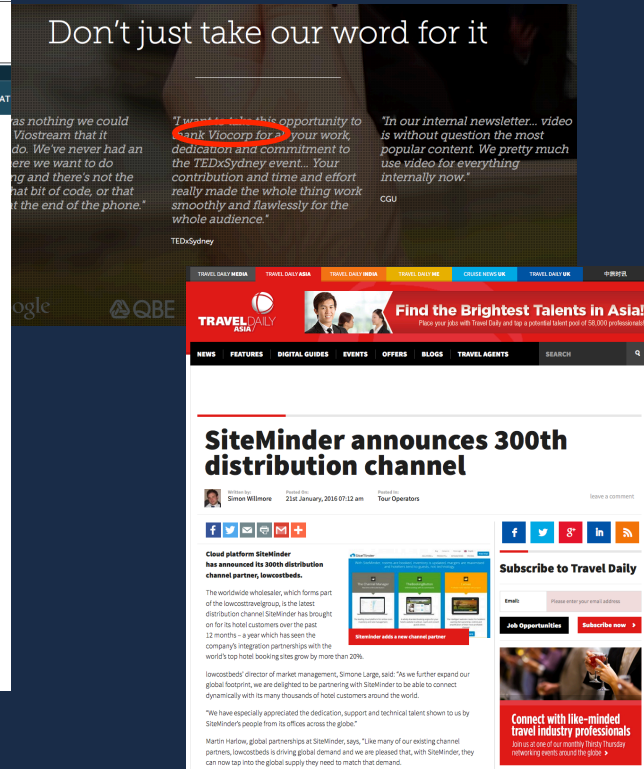
SMI will now deliver real spend data to News UK each month, also to track how ad money is spent across the media.

James Fennessy, SMI's chief commercial officer said he was confident would help News UK "grow share and enable them to react faster increasingly dynamic market".



Cloud-based software provider SiteMinder is expanding its technology offerings to the hospitality industry.

The Australian company has announced the launch of Canvas, a website creator designed for independent hotels that will be unveiled at the World Travel Market in London this week.



BTI employs a conservative valuation approach

Third-party investment and realisations demonstrate a significant uplift on the valuation at which investments are held



Carrying value of investments reflects either:

- Cost + accrued interest, or
- Valuation at which third-party investment has been made



Carrying value supported by independent experts and public company audit



Partial realisation of SiteMinder

- In Dec-15, BTI accepted a third-party offer to sell down \$5m of it's position at a valuation of \$36.3m, **45% above the carrying value** of \$25.0m.
- The resulting holding in SiteMinder is \$31.3m.
- The 3rd party investor was a blue chip investor with more than \$5 billion of assets under management.










Uplift in valuation for Straker

- BTI's investment in Straker was held at \$3.7m.
- In Dec-15, Straker raised a further NZ\$1m from a HK-based investor, to focus on acquisition opportunities .
- The NZ\$1m was raised at a **20% uplift to BTI's carrying value** after 4 months, which is now at \$4.5m.

Current Portfolio Valuation

With the exception of SiteMinder and Straker (both have received recent 3rd party investment), all others are held at cost plus interest

Company	Current Value (\$m)*	Valuation Methodology
 SiteMinder	31.3	Third-party investment (Dec-15)
 VIOCORP	20.2	Cost + accrued interest
 SMI STANDARD MEDIA INDEX	5.5	Cost + accrued interest
 iPRO SOLUTIONS	6.2	Cost + accrued interest
 straker TRANSLATIONS	4.5	Third-party investment (Dec-15)
 Stackla	2.6	Cost + accrued interest
 rezdy	2.6	Cost + accrued interest

\$72.9m

** as at 31 December 2015*



Upside Potential

Shareholder value is created by 3 primary levers










I. Growth of the Existing Portfolio

II. Investing in New Opportunities

III. Narrowing Discount to NTA

I. Growth of Existing Portfolio

Potential upside prospects in the next 24 months

Company	Current Value	Value Range	Uplift or Exit Rationale
 SiteMinder	\$31.3m	\$ 60m - \$ 100m	Current valuation multiples applied to consistent growth rates; possible premium available for strategic trade buyers.
 VIOCORP	\$20.2m	\$ 30m - \$ 85m	Large System Integrators' growing interest in enterprise video solutions.
 SMI STANDARD MEDIA INDEX	\$ 5.5m	\$ 7m - \$ 10m	New product launch and strategic positioning.
 iPRO SOLUTIONS	\$ 6.2m	\$ 10m - \$ 20m	Recent interest from multi-billion dollar corporate venture arm.
 straker TRANSLATIONS	\$ 4.5m	\$ 12m - \$ 40m	Inbound interest from global private equity firm and strategic trade buyers.
 Stackla	\$ 2.6m	\$ 5m - \$ 30m	Indicative offer at 30% uplift today. Explosive growth industry.
 rezdy	\$ 2.6m	\$ 6m - \$ 15m	Through-the-cycle multiple applied to revenue growth rates.

\$72.9m

\$130m - \$ 300m

NAV per share: **\$1.25***

1.8x - 4.1x

II. Investing in New Opportunities

New Investment Opportunities

Bailador continues to see high quality opportunities in the Australian and New Zealand market. Examples below*:

Sector: SaaS, B2B

- ★ \$8m in revenue
- ★ 50% from international markets (mostly US)
- ★ High recurring revenue
- ★ Big name logos
- ★ Premium SaaS metrics

Raising \$5-10m to support continued growth internationally

Sector: SaaS, B2B

- ★ > \$4m in revenue
- ★ \$50bn global market
- ★ Very high Gross Margin
- ★ Proprietary platform
- ★ EBITDA profitable

Raising \$4-5m to expand to international markets

Sector: SaaS, B2B

- ★ \$7m revenue run-rate
- ★ HQ in San Francisco
- ★ Attractive unit economics
- ★ List of blue-chip enterprise customers; very low churn
- ★ Bootstrapped to date

Raising \$5-10m to further ramp in the US and expand to EMEA

III. Narrowing Discount to NTA

BTI currently trades at a discount to NTA

If the discount narrows between the share price and NTA, significant gain can be achieved by option holders who exercise at \$1.00

▶ The exercise price of BTI Options (\$1.00) is at a 20% discount to the current NTA of \$1.25

▶ Keeping the NTA constant for this example (i.e. assuming no growth in the existing portfolio and no new investment), optionholders who convert at \$1.00 can benefit solely from a narrowing in the discount to NTA over time

Discount to NTA	Gain on Exercised Option*
Discount of 15%	6.3%
Discount of 10%	12.5%
Discount of 5%	18.8%
Discount of 0%	25.0%
Premium of 5%	31.3%
Premium of 10%	37.5%
Premium of 15%	43.8%

* Based on an exercise price of \$1.00

Given the nature of investments (**private companies**) and the conservative valuation approach (**cost plus interest or third-party**), BTI is differentiated from other LICs on the ASX.

There is a strong case for BTI to trade at a premium to NAV, as is the case for a large comparable investment company in the UK (**Imperial Innovations**), which regularly trades at >50% premium to NAV.



BTI Options (BTIO)

Actions available for your BTI Options

Quotation of BTI Options on the ASX will cease on 22 March 2016, 5 business days prior to the expiry date of 31 March 2016

1 Exercise BTI Options

- Each BTI Option is exercisable into one (1) fully paid ordinary share in BTI, at an exercise price of \$1.00
- Option exercise can be done online*, via the post or with the assistance of Bailador
- If you elect to exercise all or some of your BTI Options, BTI must receive payment by 5:00pm (AEST) on Thursday, 31 March 2016

How to exercise your options:

- Visit www.bailador.com/au/investor-relations
- Complete the '**Notice of Exercise of Options form**' specifying the number of options to be exercised (can be all or some of the options held) and return to Bailador
- Example: if you elect to exercise 46,000 options, the cost to exercise is \$46,000 (\$1.00 x 46,000 options). Following exercise, you will own 46,000 newly acquired shares of BTI that rank parri-passu to all existing shares

2 Purchase BTI Options

- BTI Options can be purchased 'on market' (BTIO.AX) via ASX trading platforms or through individual brokers

3 Sell BTI Options

- BTI Options can be sold 'on market' via ASX trading platforms

* at www.bailador.com.au/investor-relations



Thank You

Bailador Technology Investments Limited (ASX:BTI)

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