



## 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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This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 13 July 2021.

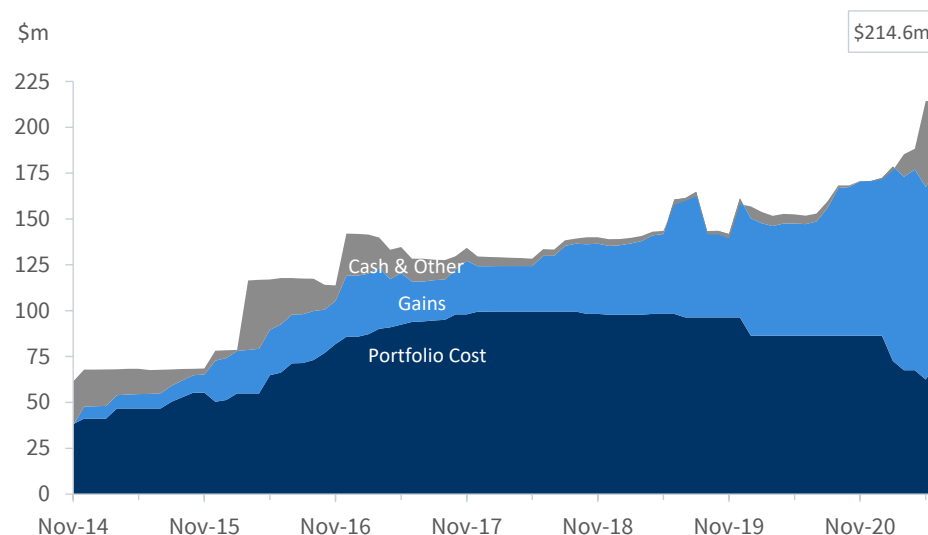
# Bailador Technology Investments [ASX:BTI] Shareholder Update

June 2021

## Net Tangible Asset Snapshot

|                        | Current month |
|------------------------|---------------|
| NTA per share pre-tax  | \$1.53        |
| NTA per share post-tax | \$1.37        |

## Net Tangible Asset Breakdown Since Inception<sup>1</sup>



## Founders' Commentary

### A year in review

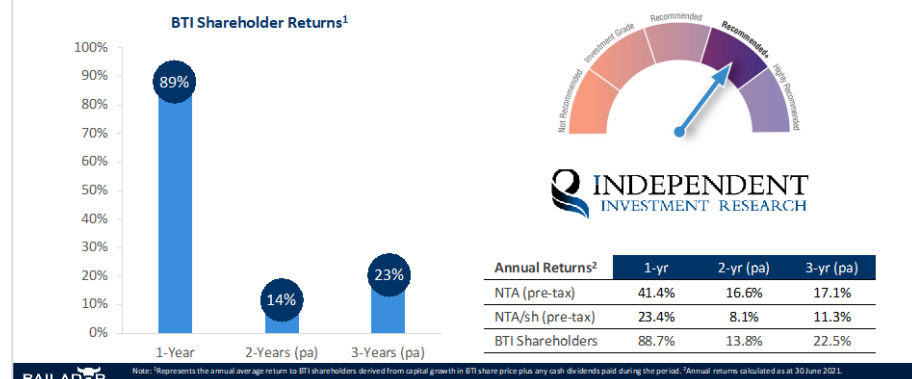
Twelve months ago, we summed up the tumultuous 2020 financial year by saying: "The Bailador portfolio finished the year in great shape, with very bright prospects ahead." It is hugely satisfying for us all to be able to report that we got that forecast completely right. The 2021 financial year has been a year of excellent achievement for the portfolio companies and for BTI.

For the financial year to 30 June 2021, BTI generated:

- Growth in NTA/Share (pre-tax) of 23.4%; and
- Shareholder Return of 88.7%

These returns are especially pleasing because they were achieved while keeping a constant valuation for our largest investment, SiteMinder, which we expect to perform well as travel picks up around the world.

### Bailador has generated strong investor returns



In FY2021 we:

- Fully realised our investments in three companies – **DocsCorp**, **Lendi** and **Viostream**
- Merged **Stackla** with a highly complementary international company – **Nosto** – to create a global leader
- Invested additional capital at attractive prices into two fast-growing portfolio companies – **Instaclustr** and **Straker Translations**
- Stabilised and prepared our two travel industry investments – **SiteMinder** and **Rezdy** – for the bounce-back in travel which is now gathering pace
- Launched new products, expanded into new markets and added new agency-partners at **Standard Media Index**, all of which accelerated growth
- Rode the huge COVID-19 inspired growth in e-commerce with **Brosa**

Above all FY2020 reinforced to us the importance of investing in high-quality businesses and high-quality management teams. The outstanding results in FY2021 are a testament to both.

### Realisations and merger

#### DocsCorp

DocsCorp was sold at a value 53% above our carrying value, realising a 3.4x return on our initial investment and a 30% IRR to Litera, a long-standing participant in the legal document management industry. Litera is backed by well-known global technology growth investor HG Capital.

#### Lendi

Lendi merged with the Commonwealth Bank-owned Aussie Home Loans and we realised our full investment as part of the process. The value we achieved was 21% above our carrying value, 2.4x our initial investment and delivered an IRR of 21%.

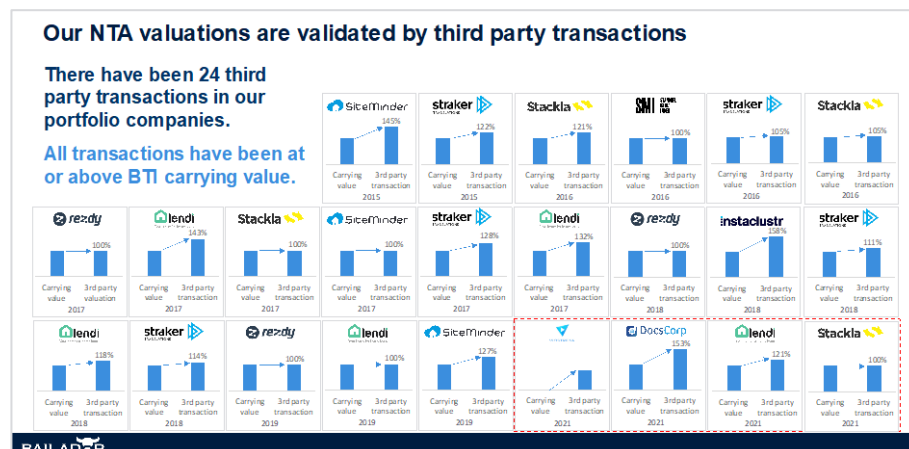
#### Viostream

Viostream was an early investment in the fund and one of the very few that has not done well. Some time ago we wrote our investment down to nil and were pleased to realise our position in 2021 for \$1.1 million.

#### Stackla

Global scale and breadth of offer are important in the digital marketing services space, and we achieved both of these when we merged Stackla with the well-performing e-commerce personalisation platform Nosto. We now own a smaller piece of a larger fast-growing global company and we look forward to the ride.

All of these realisations were at valuations matching or higher than our carrying value, continuing to build the now extensive track record of **every one of the 24 third party transactions in our portfolio companies being at or above carrying value**. This demonstrates the conservative nature of BTI's stated NTA, and the potential for further upside on realisation.



### Stabilisation and growth

#### SiteMinder

Our largest investment performed heroically to deliver stable financial performance in a year with virtually no international travel. Management reduced sales and marketing spend and doubled down on product development to be ready for the bounce back in travel which we are now starting to see in Europe and North America. SiteMinder outperformed virtually every other company in the travel sector worldwide, and is returning to growth mode.

#### Rezdy

Rezdy management responded to the decline in demand for tours and activities by cutting costs, providing incentives to retain customers even when they were doing no business, adjusting their revenue model and building distribution alliances that will pay off as travel returns. And it worked! Rezdy steams into FY2022 with record monthly revenue.

### New investment in top performers

#### Instaclustr

Instaclustr continues its outstanding performance, growing at accelerating rates and delivering excellent customer retention and growth of established customers.

In March the company acquired Germany-based credativ, adding an important new technology and new customers to their platform. The acquisition provided an opportunity for current shareholders to invest additional capital and we jumped at the chance, investing a further \$3.8m.

#### Straker Translations

2021 was a break-through year for Straker and the share price showed it. The price at the end of FY2021 was 122% higher than the price at the end of FY2020. The team secured a very large and growing contract with IBM and executed on their acquisition strategy with the addition of a key US business, Lingotek. Late in the year Straker completed a \$25 million capital raise. We took up our pro-rata amount and sub-underwrote the retail offer, which allowed us to invest another \$5.2 million in Straker.

### Picking up speed

#### Standard Media Index

While less spectacular than some of our other investments, SMI made great strides in FY2021, developing and releasing new products, diversifying into Canada and the UK and receiving the full global Group M and IPG advertising spend data into the pool. The team is growing, growth is accelerating, and the business is well capitalised for its next stage.

#### Brosa

Brosa was a grateful recipient of the huge increase in online shopping during FY2021. For much of the year revenue was over a 100% up on the previous year. The position remains a small one for Bailador.

### Capital Raise

Late in the year we raised an additional \$24 million through a placement and Shareholder Purchase Plan. We were delighted to welcome a number of highly regarded institutional investors and family offices to our register and to significantly grow the number of retail investors we have. For many retail investors BTI is the only way they can get exposure to a portfolio of fast growth expansion stage information technology companies, and we are delighted that more smaller shareholders are taking advantage of the opportunity.

### Looking ahead

It's been reported in the press that our two largest investments, SiteMinder and Instaclustr are actively working towards Initial Public Offerings. We know these

businesses well, are strong supporters of the long term growth prospects of both companies, and if in fact they do become publicly traded, would likely continue to hold significant positions. We would also make every endeavour to ensure BTI shareholders benefit from a priority allocation in any possible IPO.

These would be exciting developments for BTI shareholders, as a public listing has the potential for significant increases in the implied valuations. It will certainly mean that a far greater portion of BTI's NTA will be linked to publicly traded share prices.

We move into FY2022 with over \$40 million of cash and a portfolio with accelerating growth and great potential. We are working hard to deploy the cash we have raised through realisations and the capital raise, and have some exciting opportunities in front of us right now. We thank you for your support in what has been an extraordinary year and a year in which Bailador has thrived.

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



Instaclustr [achieved PCI-DSS Certification for its Managed Elasticsearch Service on AWS](#). This PCI-DSS certification for Managed Elasticsearch adds to Instaclustr's existing PCI-DSS and SOC 2 accreditations, which demonstrate the company's commitment to thorough data security practices and architecture.

Evita Davies, Vice President of Finance, wrote for Women Love Tech on [how Covid affected the open source industry](#).



### Straker Translations

Straker has [announced the completion of its Equity Raising](#) which delivered gross proceeds totalling \$25m to Straker. As announced in [Bailador's ASX release on Friday 25th June](#), Bailador elected to take up its rights in full and sub-underwrite the retail offer, resulting in total allocation of \$5.2m.

Straker [announced its AGM will be held on Wednesday 25th August](#) in Auckland, New Zealand.



### Standard Media Index

**Bailador increased its valuation of SMI by 25% to \$12.1m as at 30 June 2021.** The increase reflects the strong business performance of SMI over the past year which included a 25% increase in ARR and continued underlying profitability.

SMI [launched a Pricing Intelligence Suite](#) with a range of industry-first pricing solutions. The new analytics tools and insights leverage SMI's exclusive data and give its users better visibility into cross-screen spend and pricing. Ben Tatta, President, spoke to Beat.TV about the SMI Pricing Intelligence Suite.



### Nosto

As announced in [Bailador's ASX release on Thursday 3rd June](#), Stackla has entered into an agreement to be acquired by Nosto, an AI-powered e-commerce personalisation platform. From this month, Nosto will replace Stackla in Bailador's portfolio.

Nosto launched the [Commerce Experience Certification Program](#). The program consists of a series of on-demand courses called The Nosto Academy, two-half-day interactive virtual workshops, and a final assignment. When e-commerce professionals complete the course, they will become a certified Commerce Experience Expert and be capable of applying their skills to engage shoppers at first-touch, drive product discovery, create trust and urgency, derive value from each interaction, and facilitate loyalty across the onsite customer journey.



### Rezdy

**Bailador increased its valuation of Rezdy by 12% to \$6.4m as at 30 June 2021.** Rezdy has recovered well from the worst of COVID, however, Bailador has maintained a conservative valuation adjusting only for the change in the contractual value of its preference holding.

### BROSA Brosa

Brosa has [partnered with Tint](#), a Melbourne-based eco-friendly paint company, to create a range of paint and furniture pairings and give design advice. Tint samples are available at all Brosa studios, and the Fitzroy Studio+ has received a full Tint paint refresh.

The performance fee hurdle has been reached at 30 June 2021 and there have been cash realisations during the period exceeding that amount. Performance fee will be paid at the conclusion of the BTI audit, subject to NTA being confirmed.

### **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.

## BTI Portfolio Net Tangible Asset Summary

|  | Valuation (\$'m) | Gain (%) |   | NTA per share (\$) | Third Party Event Valuation | Next Valuation Review <sup>1</sup> |
|--|------------------|----------|---|--------------------|-----------------------------|------------------------------------|
| SiteMinder   | 82.5             | 1996%    | ▲ | 0.59               | ✓                           | June 2022                          |
| Instaclustr  | 44.3             | 430%     | ▲ | 0.31               |                             | March 2022                         |
| Straker Translations   | 17.8             | 86%      | ▲ | 0.13               | ✓                           | Mark to market each month end      |
| SMI  | 12.1             | 63%      | ▲ | 0.09               |                             | June 2022                          |
| Nosto  | 11.5             | 3%       | ▲ | 0.08               | ✓                           | May 2022                           |
| Rezdy  | 6.4              | 79%      | ▲ | 0.05               |                             | June 2022                          |
| Brosa  | 3.0              | 0%       | ▶ | 0.02               | ✓                           | October 2021                       |
| Cash   | 43.5             |          |   | 0.31               |                             |                                    |
| Other <sup>2</sup>   | -6.5             |          |   | -0.05              |                             |                                    |
| Net Asset Value / Net Asset Value Per Share (Pre Tax) <sup>3</sup> | 214.6            |          |   | 1.53               |                             |                                    |

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.

<sup>2</sup> Includes accrued performance fee. The performance fee hurdle has been reached at 30 June 2021 and there have been cash realisations during the period exceeding that amount. Performance fee will be paid at the conclusion of the BTI audit, subject to NTA being confirmed.

### 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:  | SiteMinder  | Instaclustr  | Straker Translations  | SMI   |
|--------|---|--|---|---|
| Type:  | SaaS/B2B  | DBaaS/B2B  | Marketplace/Machine Learning  | SaaS/Big Data   |
| About: | World leader in hotel channel management and distribution solutions for online accommodation bookings | Open source data platform for cloud-based solutions that require immense scale | Digital language translation services provider and one of the world's fastest growing translation companies | Big data aggregation and analysis platform with exclusive access to ad expenditure data |
| HQ:    | Sydney  | Canberra   | Auckland  | New York  |
| Staff: | 500-750   | 100-250  | 100-250   | 1-50  |



| Name:  | Nosto  | Rezdy  | Brosa   |
|--------|--|--|---|
| Type:  | SaaS/B2B   | SaaS   | Online Retail/B2C   |
| About: | Leading AI-powered e-commerce personalisation platform | Leading, innovative and fast growing online channel manager and booking software platform for tours & activities | Tech-led, vertically integrated furniture brand and online retailer |
| HQ:    | Helsinki   | Sydney   | Melbourne   |
| Staff: | 100-250  | 50-100   | 1-50  |