

## 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.

## Contact Bailador

✉ Bailador Technology Investments  
Level 20, 20 Bond Street  
Sydney NSW 2000

☎ +61 2 9223 2344

✉ [investorservices@bailador.com.au](mailto:investorservices@bailador.com.au)

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This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 11 June 2021.

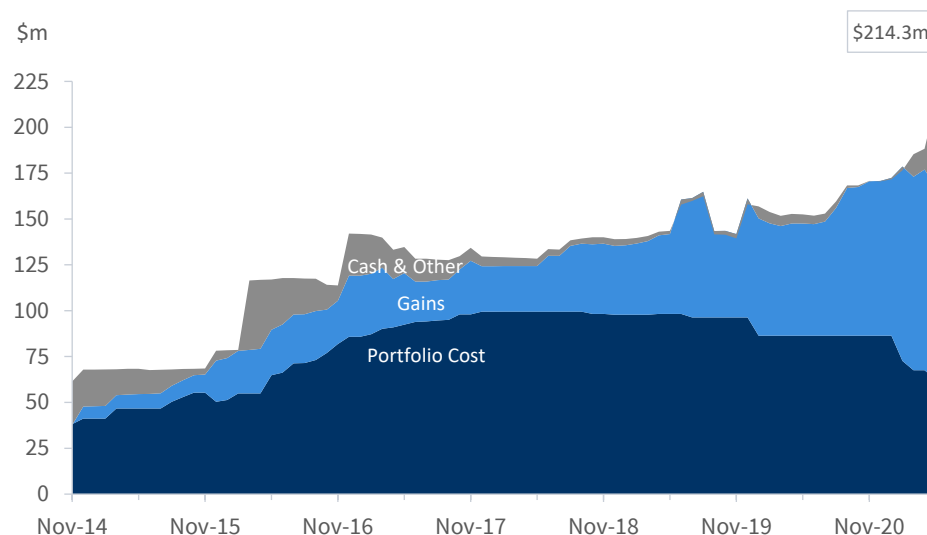
May 2021

# Bailador Technology Investments [ASX:BTI] Shareholder Update

## 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

### Exciting times for two Bailador portfolio companies

Two Bailador portfolio companies have achieved significant milestones to set them up for strong growth:

1. Straker Translations [ASX:STG] raised A\$25m in a heavily oversubscribed capital raising. Straker released guidance to the ASX of revenue of at least NZ\$50m in the financial year to 31 March 2022 (at least 60% growth rate over FY21) at an increased gross margin. The financial market responded very positively, with Straker's share price up 30% at 31 May compared to the prior month.
2. Stackla was acquired by Nosto, a leading e-commerce personalisation platform with operations in New York, Los Angeles, London, Paris, Berlin, Stockholm and Helsinki. Bailador accepted shares in Nosto in consideration for its position in Stackla, so will have exposure to the larger fast growing business of Nosto in the attractive industry segment of e-commerce personalisation.

### Straker Translations

Straker released its full year results for the year to 31 March 2021 (as a New Zealand headquartered company, its financial year end is 31 March). Straker reported revenue of NZ\$31.3m, up 13% on prior year, and positive operating cashflow for the second half of FY21.

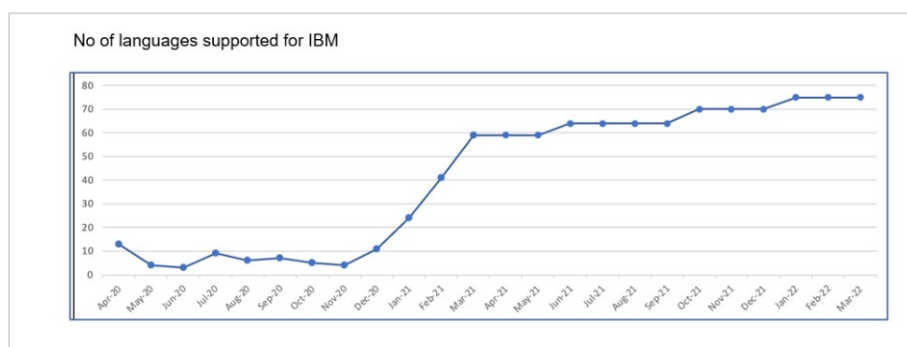
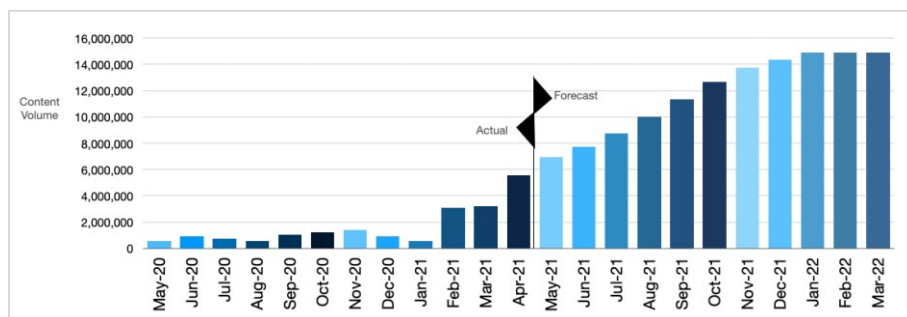
This is a strong result considering that the business was impacted by Covid in a number of jurisdictions for much of the period. Importantly, Straker has set itself up for very strong growth in FY22.

For the first time since listing on the ASX, Straker provided formal guidance of revenue of at least NZ\$50m for FY22, which would represent growth of at least 60% compared to FY21. Straker also guided that gross margin percentage will improve, indicating that the revenue growth is of high quality, and that at least \$10m of the revenue increase will be due to organic growth.

The chart below showing Straker revenue was released to the ASX:



A key driver underpinning confidence in the Straker FY22 performance is revenue growth from a key client, IBM. Straker previously announced a major contract win with IBM. Straker has now released the chart below, showing the rapidly increasing word count from IBM being processed by Straker:



**Straker has successfully completed a \$25m capital raising**, which was heavily oversubscribed. The proceeds will be used in part to extinguish a debt facility which had been put in place to fund the acquisition of the US headquartered smaller peer LingoTek. Straker is also building its production capacity to handle the larger demand from clients such as IBM, increasing its enterprise sales capability, and will continue to seek selective acquisitions in line with its core strategy.

Bailador co-founder Paul Wilson is a non-executive director of Straker Translations supporting Bailador's ongoing investment in Straker. Bailador chose to take up its pro-rata allocation as well as sub-underwrite the Retail Entitlement Offer up to a further \$5.1m. Bailador's final allocation will not be known until the conclusion of the Retail Entitlement Offer on 24 June 2021.

The offer price at which Bailador will invest is set at \$1.90. The closing price of \$2.29 at 31 May represents a 21% increase over the offer price. Excluding this

additional investment, **the valuation of Bailador's existing investment in Straker increased by 30% for the month to 31 May, representing an NTA increase of \$3.4m.**

Bailador is confident in the short and medium-term execution by Straker, and excited by the long-term prospects of Straker's cloud-based platform in the huge addressable language services industry segment.

### Stackla

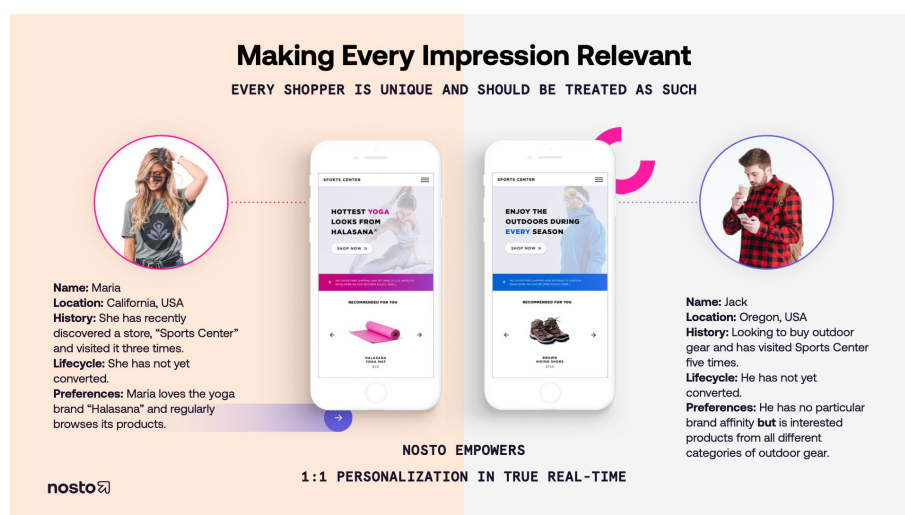
As announced to the ASX on 3<sup>rd</sup> June 2021, Stackla has entered into an agreement to be acquired by Nosto, an AI-powered e-commerce personalisation platform.

The acquisition was structured as a predominately share-based transaction. **The valuation of Bailador's investment in Stackla will remain unchanged at \$11.5m, but will transition to a shareholding in Nosto upon completion.** The agreement remains subject to certain conditions to closing.

The acquisition of Stackla by Nosto represents a significant milestone on the Stackla journey. The Stackla UGC offering is a natural fit to complement the existing Nosto platform, and we're pleased that the Stackla team will continue as part of the Nosto business.

Nosto is a larger well capitalised business with a leading position in the fast-growing space of e-commerce personalisation. The fundamental proposition is:

- Retail e-commerce sales are growing extremely rapidly worldwide
- There is increasing demand for the personalisation of the e-commerce experience
- The Nosto platform provides e-commerce personalisation
- The Stackla User Generated Content tech capability enhances the Nosto offering



**Making Every Impression Relevant**  
EVERY SHOPPER IS UNIQUE AND SHOULD BE TREATED AS SUCH

**Name:** Maria  
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**NOSTO EMPOWERS**  
1:1 PERSONALIZATION IN TRUE REAL-TIME

nosto

Please refer to the appendix to this shareholder update for some further Nosto overview information.

Stackla's deal with Nosto represents a great comeback story following Stackla's short, but damaging exclusion from the Facebook platform in 2019. At Bailador, we are very proud of the Stackla team, led by founders Damien Mahoney and Peter Cassidy, showing tremendous resilience and adaptability. Dealing with unexpected circumstances, they rallied, focused on great customer experiences, and continued to deliver results.

Bailador is pleased to continue the journey with Nosto. This third-party transaction validates the valuation of Bailador's investment, and provides continuing exposure for Bailador shareholders to the attractive e-commerce personalisation segment.

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

## 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.

## Highlights

### Movement in NTA

BTI's NTA per share (pre-tax) was unchanged at \$1.53.

Key movements are as follows:

Increase in valuation of Straker Translations share price to \$2.29	2.4c per share
Effect of \$24m capital raise completed in May	-2.4c per share



### SiteMinder

SiteMinder launched [SiteMinder Multi-Property, a new rate distribution and management platform](#). Hotel chains and groups can now enter rate plans once and have the details disseminated across all their properties – a scale that is unmatched by other distribution technologies due to SiteMinder's open connections to 1,000 property management systems, channel managers, booking channels and hotel applications. Additionally, hotel chains and groups can use SiteMinder Multi-Property to launch enterprise-wide campaigns at a fraction of the time they used to, run continuous health checks of their setup, and produce customised reports.

Sankar Narayan, SiteMinder CEO, spoke to PhocusWire for its feature [In The Big Chair](#), which interviews c-suite executives. He answered questions on the COVID-19 pandemic, a possible IPO and his predictions for the hotel tech space.

SiteMinder launched the Women@SiteMinder Employee Resource Group. The initiative aims to change the dialogue in the workplace through active conversations, strong networks and ongoing awareness.

### Instaclustr

Careen Redman-Matthews, VP of People at Instaclustr, spoke to [Women Love Tech magazine](#) about creating a diverse workplace and the importance of "culture adds" rather than "culture fits".

Stefan Miklosovic, Senior Software Engineer at Instaclustr, has been [named a Committer to the open source Apache Cassandra project](#). Invited and voted in by the Apache Cassandra Project Management Committee (PMC), committers have write-access to the open source database's repositories and resources.

### Stackla

#### Stackla

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](#). The [Australian Financial Review](#) reported on the transaction and Stackla co-founders Damien Mahoney and Peter Cassidy [released a statement](#).



### Straker Translations

Straker announced it has launched a [fully underwritten equity raising to raise A\\$25 million](#). [Click here](#) to read Straker's Capital Raise Presentation. The [New Zealand Herald](#) spoke to CEO Grant Straker about the raise.

Straker [released its FY21 results](#) to the ASX. The company said it expects revenue for the 2022 financial year to reach over NZ\$50 million at an improved gross margin, an uplift of more than 60% on the NZ\$31.3 million revenue it reported for FY21.

## Standard Media Index

### Standard Media Index

SMI appointed [Rick Bruner as Head of Insights and Analytics](#). Rick is a media research veteran. He was most recently President of Central Control, a media analytics firm, and will remain Chairman of its board. Rick will play an instrumental role in the continued growth and development of SMI's Insights and Analytics practice.



### Rezdy

Rezdy announced a [partnership with Tourplan](#), the leading technology platform for tour operators and destination management companies (DMCs). A new live integration will enable tour operators and DMCs on Tourplan to make real-time bookings of all tours and activities listed on the Rezdy Marketplace, as well as access to products via enterprise reservation systems such as Merlin and SeaLink Travel Group.

## BROSA Brosa

Brosa appointed [Anna Heinrich as its new ambassador](#). Anna is a lawyer, media personality, wife and mother who is originally known for meeting her husband on The Bachelor in 2013.



### Bailador

Paul Wilson, Bailador Co-Founder and Managing Partner, was interviewed by [Chris Judd for his podcast Masters of the Market](#).

The capital raise, including the Security Purchase Plan (SPP), announced in April 2021 was completed in May 2021. The SPP provided all existing Bailador shareholders the opportunity to participate at the same price of \$1.37 as investors in the private placement. The SPP raised approximately \$4m, bringing the total of the two capital raising elements to approximately \$24m. The funds will primarily be used by Bailador to continue to invest in new and existing opportunities in the technology sector.

## 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 or 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 2021
Instaclustr	40.4	797%	▲	0.29		March 2022
Straker Translations	14.7	238%	▲	0.10	✓	Mark to market each month end
Stackla (will become Nosto)	11.5	3%	▲	0.08	✓	May 2022
SMI	9.6	30%	▲	0.07		June 2021
Rezdy	5.7	60%	▲	0.04		June 2021
Brosa	3.0	0%	▶	0.02	✓	October 2021
Cash	48.9			0.35		
Other <sup>2</sup>	-2.0			-0.01		
Net Asset Value / Net Asset Value Per Share (Pre Tax) <sup>3</sup>	214.3			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. If NTA remains above the hurdle at 30 June 2021, the fee will be payable.

<sup>3</sup> BTI completed a successful \$20m placement to institutional and sophisticated investors in April, which was completed in May.

### 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	Stackla (will become Nosto)
Type:	SaaS/B2B	DBaaS/B2B	Marketplace/Machine Learning	SaaS/B2B/UGC
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	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy
HQ:	Sydney	Canberra	Auckland	San Francisco
Staff:	500-750	100-250	100-250	1-50



Name:	SMI	Rezdy	Brosa
Type:	SaaS/Big Data	SaaS	Online Retail/B2C
About:	Big data aggregation and analysis platform with exclusive access to ad expenditure data	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:	New York	Sydney	Melbourne
Staff:	1-50	50-100	1-50



## Nosto introduction

Nosto is a leading e-commerce personalisation platform with operations in New York, Los Angeles, London, Paris, Berlin, Stockholm and Helsinki. The company was founded in 2011 by Juha Valvanne, Antti Pöyhönen and Jani Luostarinen. Unsatisfied with the impersonal e-commerce experience offered to shoppers, the trio decided to turn these limitations into opportunities, creating a platform for e-commerce brands to deliver the experience shoppers deserve.

## What problem is Nosto solving?

Nosto enables retailers to deliver personalised digital shopping experiences at every touchpoint, across every device. An AI-Powered Commerce Experience Platform designed for ease of use, Nosto empowers retailers to build, launch and optimise 1:1 omnichannel marketing campaigns and digital experiences without the need for dedicated IT resources or a lengthy implementation process. Brands use Nosto to craft personalised e-commerce experiences that drive conversion and increase revenue.

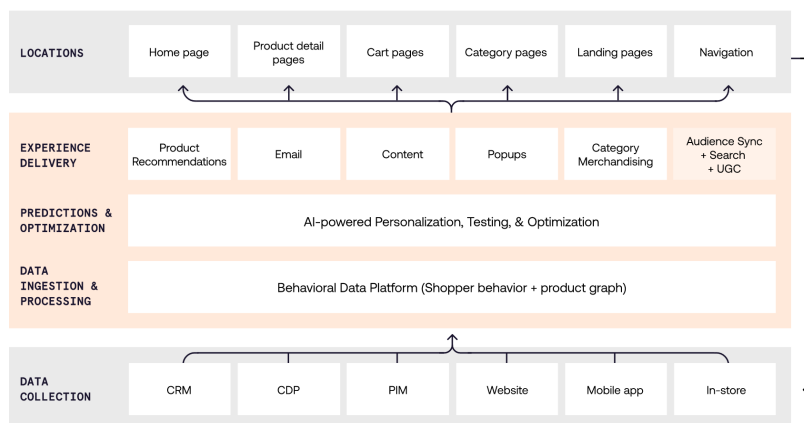
## Nosto's product offerings

Nosto offers a complete personalisation solution for its customers across:

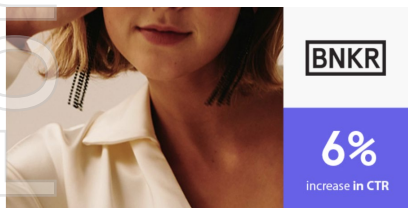
- **Product Recommendations:** Utilising behavioural data to show the most relevant products to every shopper
- **Dynamic Bundles:** Creating product bundles using dynamic filtering to encourage multiple purchases
- **Category Merchandising:** Controlling how products are displayed, personalised based on shopper behaviour
- **Segmentation & Insights:** Segment audiences based on behaviours, demographics, and affinities
- **A/B Testing & Optimisation:** Prove which personalisation and merchandising strategies work
- **Content Personalisation:** Utilising behavioural data to personalise onsite content based on shopper affinities and interests

## Nosto's commerce experience platform

Nosto's commerce experience platform allows customers to quickly deploy fully personalised, integrated commerce experiences across product recommendations, content, triggered overlays and popups, category pages, and more.



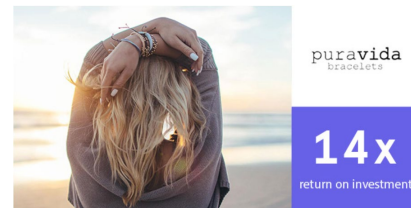
## Customer successes to date



Fashion Bunker saw a 6% increase in click through-rates and a 16% higher conversion of first-time visitors



LeSportsac achieved a 2.4x increase in conversions using Nosto



Pura Vida Bracelets saw a 14x return on investment through Nosto-powered experiences

## Nosto by the numbers

**25bn**  
Shopping moments  
personalised

**\$2bn**  
Additional revenue  
generated for merchants

**712GB**  
Data  
processed daily

**2,500**  
Online stores serving  
shoppers daily



## Nosto Overview

### ...and Our Mission Matters Today More than Ever Before



#### CONSUMER BEHAVIOR IS CHANGING

- We are more connected than ever before
- Shopping journeys start and end online
- Shoppers expect consistent personalized experiences across channels



#### RETAIL IS CHANGING

- Digitalization of commerce is the greatest transformation of contemporary society
- Change in consumer behavior has changed the rules of retail
- Emerging new retail models such as D2C



#### RETAILERS AND BRANDS NEED A WORKING SOLUTION

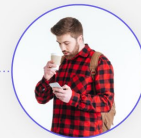
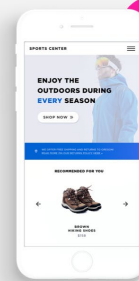
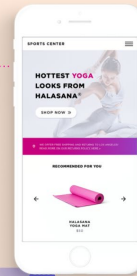
- Soaring need for a solution to deliver 1:1 personalization across all digital retail channels
- Increasing request for softwares that saves time and automates work
- Emerging need for a platform vs operating with multiple point-solutions

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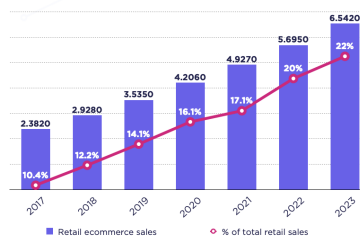
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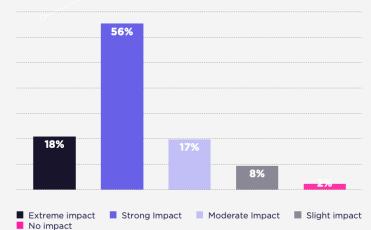


### Growing Addressable Market

RETAIL ECOMMERCE SALES GROWING WORLDWIDE<sup>1</sup>  
(TRILLIONS AND % OF TOTAL RETAIL SALES)



INCREASING DEMAND FOR PERSONALIZATION<sup>2</sup>  
(IMPACT OF PERSONALIZATION ON ADVANCING CUSTOMER RELATIONSHIPS)



<sup>1</sup> Source: eMarketer, May 2018  
<sup>2</sup> Researchscape, Trends in Personalization, 2018