



# ANNUAL RESULTS PRESENTATION

**For the financial year ended 31 December 2023**

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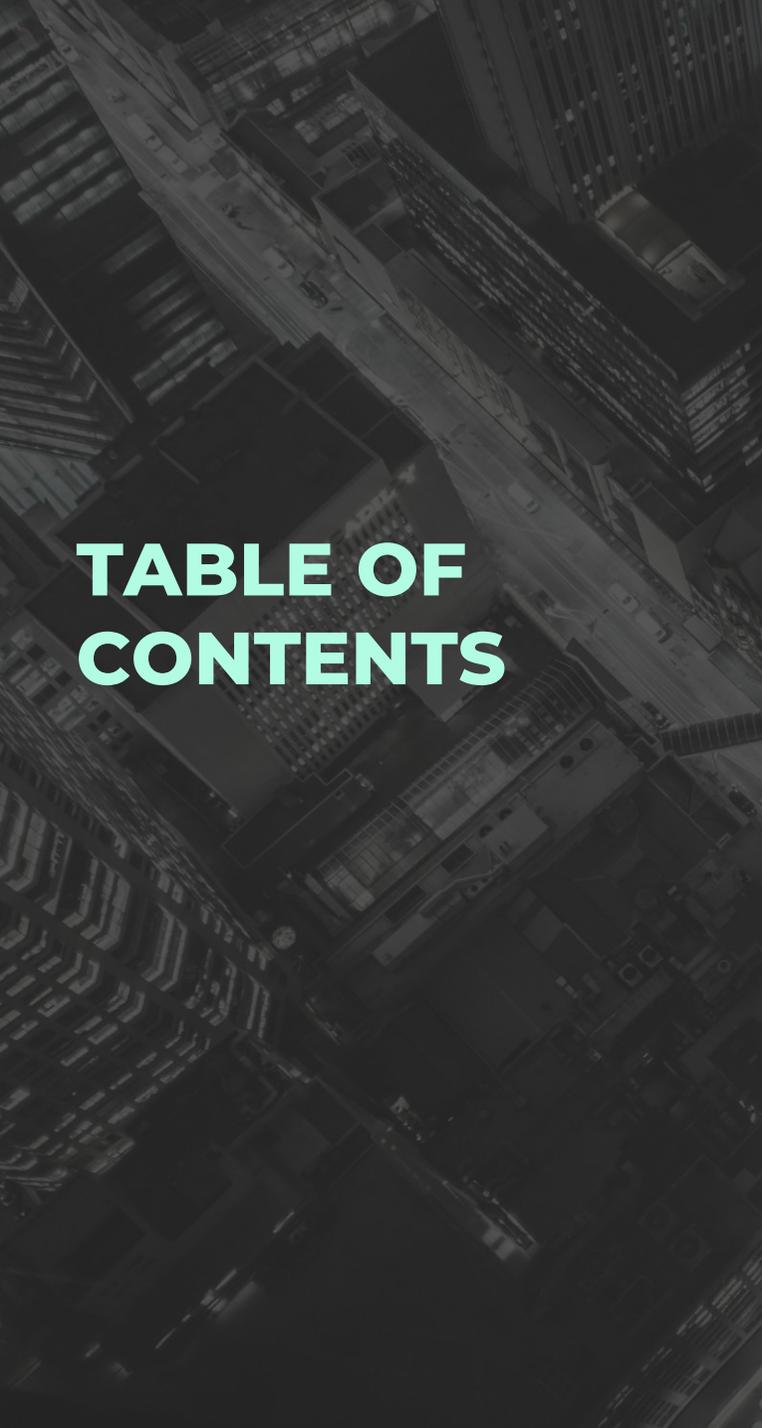
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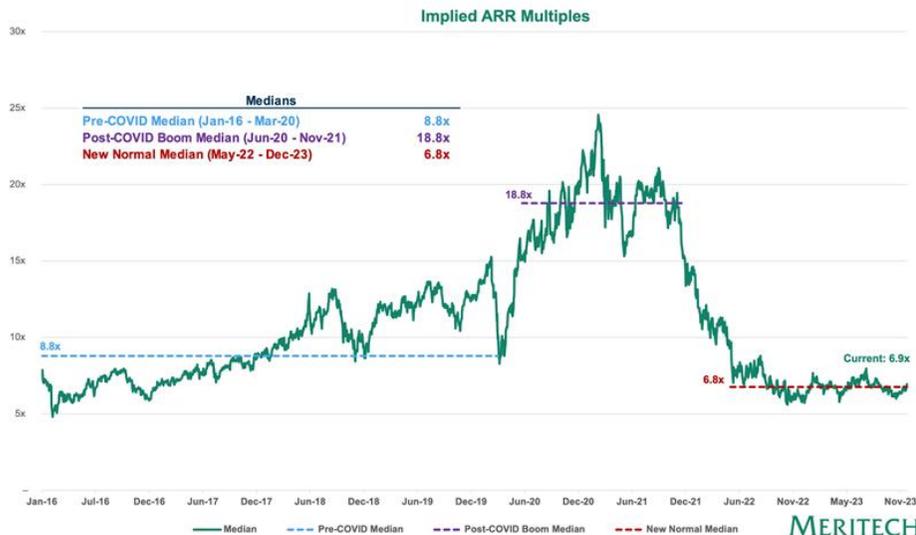
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# FY23 REVIEW: MARKET CONDITIONS

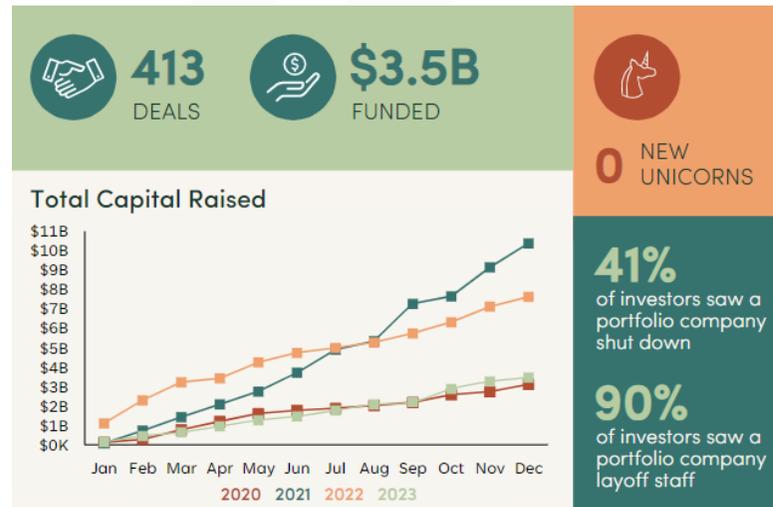
We have experienced significant changes in the market environment since launching our investment strategy and have had to adjust our approach to recognise these changes

- Listed SaaS business valuations have reduced and are below pre-COVID median multiples
  - Annual Recurring Revenue (ARR) valuations have reduced by ~64% from post COVID highs to a median ARR multiples of ~6.8x (May 2022 – December 2023)
- Whilst less observable, we have seen valuation reductions filtering through private markets, especially for later stage and loss-making businesses
- In Australia, venture capital investments were lower in 2023 with \$3.5bn funded (2022: \$7.4bn; 2021: \$10.6bn) across 413 deals (2022: 712; 2021: 731), similar to overseas trends<sup>2</sup>
  - 41% of investors saw a portfolio company shut down in 2023 with 90% of investors seeing a portfolio company lay off staff<sup>2</sup>

## US Listed SaaS Valuations (Jan 2020 to Dec 2023)



## Australian Venture Capital in 2023<sup>2</sup>



1. Meritech Capital, available at <https://www.meritechcapital.com/benchmarking>. Data as of 26 January 2024.

2. 2023 State of Australian Startup Funding, Cut Through Venture & Folklore Ventures

# FY23 REVIEW: TOUCH VENTURES

## 2023 was a year of consolidation as we prepare to invest into the next vintage of assets

- Preserved cash as private company valuations adjusted to changing economic conditions
  - Looked at a large number of opportunities and completed one investment in 2023
  - Cash is invested into term deposits and earning interest, setting off costs which we have reduced over the year
- Updated our mandate as we look to deploy into an adjusted market
  - Greater focus on later stage businesses generating \$5m-\$10m+ in annualised revenue and closer to break-even
  - Targeting investment cheque sizes of \$3m - \$10m
  - Broadened sector focus beyond fintech and retail innovation. Looking broadly at technology enabled businesses
  - Opportunistically looking at listed or more transformative opportunities
- Significant time spent on managing existing portfolio and pushed to reduce burn rates and/or achieve liquidity
  - Successfully exited Basiq in early 2023 for \$14.9m (50% return on capital / IRR of 19.7%)
  - Only allocating to first cohort of investments (2021 vintage) where there is a strong investment case. E.g. Ceased funding PlanPay and have not allocated material capital into Sendle even though they raised capital
  - Renewed focus on building a new vintage under our broader, more diversified mandate – Ordermentum fits within this strategy
- We welcome new shareholder, Gannet Capital, that acquired a 17.8% interest in TVL (from Block, Inc)
  - New Board member added, Glenn Poswell, representing Gannet Capital
  - Brings significant experience and deal flow potential; Opportunity to re-energise the business and strategy as we move beyond the Afterpay / Block relationship

# FY23 SUMMARY RESULTS

**\$108.9m of net asset value including cash of \$58.2m<sup>1</sup>**

## Summary

- Net loss of \$15.4m for FY23 (FY22 net loss of \$65.2m)
  - Gain of \$4.5m from the sale of Basiq with \$4.1m profit realised to-date and a further \$0.8m<sup>2</sup> subject to escrow conditions
  - Revalued the equity value of our holdings in PlanPay, Sendle and Till Payments by \$12.9m and recognised a provision for impairment of loan to PlanPay of \$5.5m
  - Operating costs reduced and benefited from interest income on invested cash
- NTA per share of 15c and cash NTA per share of 8c
- We deployed \$4.0m into equity deals:
  - New investment into Ordermentum of \$3.0m, the first investment under our updated strategy
  - Participated in 2 small follow on investments deploying \$1.0m into Sendle and Wrapd
- Completed outstanding \$3.0m loan commitment to PlanPay in January 2023

## Key Metrics (as at 31 December 2022)

- NTA/NTA per share: \$108.9m/\$0.15
- Market cap/Share price: \$49.3m/\$0.07
- Premium / (Disc) to NTA (54.7%)
- Profit / (loss) for the year: (\$15.4m)
- Cash<sup>1</sup>: \$58.2m
- Capital deployed: 4 / \$7.0m
  - Core strategy: 1 new, 1 follow-on, 1 loan / \$6.5m
  - Early-stage strategy: 1 follow-on / \$0.5m

1. As at 31 December 2023. Cash includes \$55.3 million of Term Deposits with maturity dates no longer than 12 months.

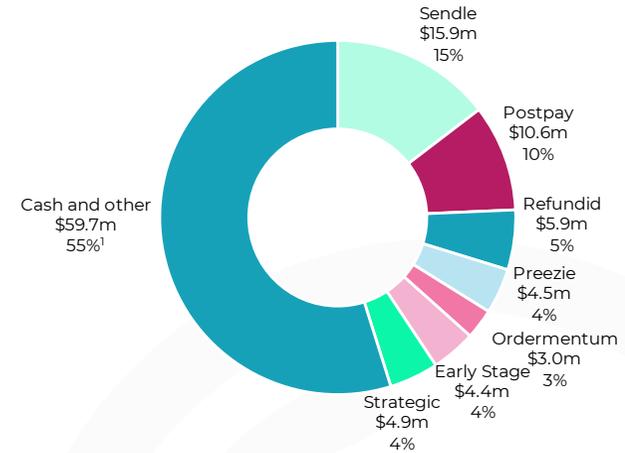
2. Total proceeds received to date of \$14.1m and \$0.8m held in escrow. Escrow amount carried at \$0.4m which reflects management's best estimate of the fair value of the amount that will be received

# PORTFOLIO UPDATE

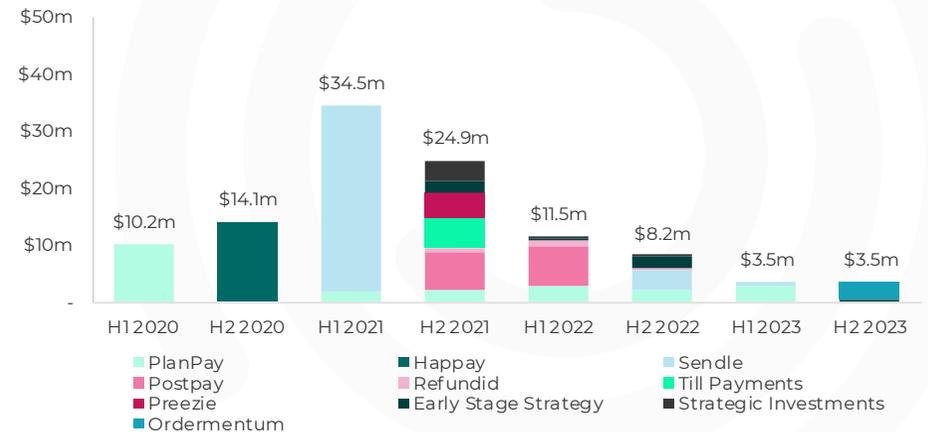
## Having slowed deployment of capital, we are ready to invest into the adjusted market

- Net asset position of \$108.9m (15c per share) (31 Dec 22: \$124.5m)
- Cash of \$58.2m (8c per share), making up 53% of the net asset position
- Exited Basiq with net gain of \$4.5m and revalued PlanPay and Till to nil
- Adjusted rate of deployment as market conditions changed
- Seeing conditions improve and better investment terms and deployed \$3m into Ordermentum, first asset in the new vintage as we look to diversify the portfolio

### Portfolio as at 31 December 2023 (NAV: \$108.9m)



### Deployment of capital over time



1. "Cash and other" includes cash and term deposits of \$58.2m, and other assets and liabilities of \$1.5m.

# PORTFOLIO UPDATE: ORDERMENTUM



## Ordermentum is a unified platform allowing suppliers of produce, beverages and other hospitality products to trade with hospitality venues

- Invested \$3m in Ordermentum in October 2023 as part of a broader \$16m fund raise that the company completed with Microequities, Perennial and Aditum Asset Management
- In conjunction with the raise, Ordermentum acquired wholesale food marketplace Foodbomb
  - Expands Ordermentum's supplier base and grow presence in meat, seafood, fruit and vegetable categories
- Ordermentum is being used by almost half of Australia's hospitality venues who place over \$1.2bn in orders each year for goods from food and beverage suppliers
- Together, the combined business finished the year with 850 suppliers and 40,000 venues and saw revenues increase by ~50% from the prior year
- The company is within the B2B SaaS and payments segment with annualised revenues above our target threshold under our updated mandate
- Our investment thesis on Ordermentum was based on:
  - Their strong position in a large market and an ability to further expand market share within this market with very few competitors
  - Increasing product distribution through their acquisition of FoodBomb which extends the product categories that Ordermentum can offer to venues
  - Unique position and value proposition to both suppliers and venues and ability to drive value-added products to its offering
  - Network effects from scale with suppliers bringing venues to the platform and venues driving other suppliers to utilise Ordermentum
  - Strong founder and team with deep expertise in the space and successfully navigating through COVID-related shutdowns in hospitality industry

<i>Investment Date</i>	<i>Oct 2023</i>
<i>Amount Invested</i>	<i>\$3.0m</i>
<i>Carrying Value (31 December 2023)</i>	<i>\$3.0m</i>

# CORE PORTFOLIO HIGHLIGHTS



Investment Date	June 2021
Amount Invested	US\$27.8m / \$36.5m
Carrying Value (31 December 2023)	US\$10.9m / \$15.9m

## Key Highlights

- ✓ Continued to build US partnerships with courier networks and shipping aggregators including partnership with EasyShip
- ✓ US parcel revenues up over 100% in November 2023 compared to prior year
- ✓ Launched Peak Relief in response to Canada Post's price increases which makes Sendle one of the most affordable shipping options in Canada for parcels to the US
- ✓ Implemented cost savings program to extend cash runway and raised over US\$17m of capital supported by existing investors
- ✓ However, cash burn remains high and Sendle is actively working on extending its cash runway and / or pursuing exit options



Investment Date	July 2021
Amount Invested	US\$10.0m / \$13.6m
Carrying Value (31 December 2023)	US\$7.2m / \$10.6m

## Key Highlights

- ✓ Increased gross merchandise value (GMV) with Pay Now GMV growing by 60% from the prior year and improving transaction margins
- ✓ Merchant base has grown to around 1,600 merchants across the Middle East region, even though trading conditions have been difficult
- ✓ Launched new partnership with International Schools Partnership in the UAE
- ✓ Launching new product in early 2024 in collaboration with banking and non-bank lender partners in the Middle East



Investment Date	Nov 2021
Amount Invested	\$4.5m
Carrying Value (31 December 2023)	\$4.5m

## Key Highlights

- ✓ Continued customer growth and expanding their product to a global merchant base
- ✓ Topline growth of over 40% year on year and 170% growth since our initial investment
- ✓ US business now contributing to ~20% of overall revenues
- ✓ Nextbuy cross promotion working well with over 100 merchants on network with Preezie generating over \$150m in sales for these merchants through Nextbuy



Investment Date	Sep 2021
Amount Invested	\$2.4m
Carrying Value (31 December 2023)	\$5.9m

## Key Highlights

- ✓ Continued strong monthly gross transaction value (GTV) and revenue growth driven by new retailers in Australia and United States
- ✓ GTV is up over 300% compared to the prior year
- ✓ Over 180 eCommerce retailer partners across Australia and the US
- ✓ Announced integration with ReturnGo allowing ReturnGo partners with the ability to receive and instant refund with Refundid

# STATEMENT OF FINANCIAL POSITION

## Strong cash position with \$58.2m of cash on hand

\$000	Note	31 December 2023	31 December 2022
Cash and cash equivalents	1	5,374	38,721
Prepayments		264	453
Other current assets	1	54,146	15,077
<b>Total current assets</b>		<b>59,784</b>	<b>54,251</b>
Financial assets at fair value through profit or loss	2	49,203	68,506
Loan to PlanPay	3	-	2,146
Other non-current assets		589	35
<b>Total non-current assets</b>		<b>49,792</b>	<b>70,687</b>
<b>Total assets</b>		<b>109,576</b>	<b>124,938</b>
Trade and other payables		472	342
Lease liability		78	-
Employee benefit liabilities		81	78
<b>Total current liabilities</b>		<b>631</b>	<b>420</b>
Lease liability		7	-
<b>Total non-current liabilities</b>		<b>7</b>	<b>-</b>
<b>Total liabilities</b>		<b>638</b>	<b>420</b>
<b>Net assets</b>		<b>108,938</b>	<b>124,518</b>
Issued capital		196,525	196,985
Accumulated losses		(89,844)	(74,421)
Reserves		2,257	1,954
<b>Total Equity</b>		<b>108,938</b>	<b>124,518</b>

1. Strong cash position with \$58.2m of cash on hand at 31 December 2023
  - a. Total cash includes term deposits of \$55.3m (included in other current assets) and cash and cash equivalents of \$5.4m
  - b. Cash for the period increased from \$53.7m to \$58.2m
2. Financial assets at fair value through profit or loss showed a decrease of \$19.3m as a result of the following:
  - a. Sale of Basiq (31 Dec 22 fair value of \$10.1m)
  - b. New and follow on investments deploying \$4.0m of capital
  - c. Reduction of fair values of \$13.3m which includes movements in PlanPay, Till Payments, Sendle, early stage and strategic assets and foreign exchange movements
3. Movement relates to impairment of the PlanPay loan

# STATEMENT OF COMPREHENSIVE INCOME

Loss of \$15.4m due to impairments (FY22 loss: \$65.2m) as difficult decisions were made on existing portfolio. We reduced operating costs and receive the benefit of interest income

\$000	Notes	FY23	FY22
<b>Net loss on financial assets at fair value</b>	<b>1</b>	<b>(8,449)</b>	<b>(66,457)</b>
Impairment of loan to PlanPay	2	(5,489)	-
Share based payment expense		(303)	(347)
Due diligence and acquisition costs		(116)	(141)
Director fees	3	(299)	(326)
Employee benefits expense	3	(1,726)	(2,182)
Professional fees		(660)	(530)
Insurance expense		(420)	(514)
Legal and regulatory expenses		(63)	(36)
Other expenses		(282)	(471)
<b>Operating loss</b>	<b>4</b>	<b>(17,807)</b>	<b>(71,004)</b>
Interest expense		(9)	-
Interest income	5	2,731	450
Unrealised foreign exchange (loss)/gain in financial assets at fair value	6	(338)	5,389
<b>Loss before tax</b>		<b>(15,423)</b>	<b>(65,165)</b>
Income tax		-	-
<b>Loss for the year</b>		<b>(15,423)</b>	<b>(65,165)</b>

## Notes

1. Fair value movement of \$8.4m across the portfolio
2. Impairment provision of the loan in PlanPay of \$5.5m
3. Employee and Board remuneration expenses lower by \$0.5m
4. Total operating expenses of \$3.9m vs \$4.5m in FY22, a reduction of ~15%
  - a. Total operating expenses net of interest of \$1.1m, down from \$4.1m in FY22 due to cost savings and interest income
5. Interest earned on term deposits (maturity dates no longer than 12 months) and interest on loans
6. Unrealised foreign exchange (loss)/gain in financial assets at fair value is due to the currency translation of foreign currency investments held at fair value through profit or loss

# MARKET & OUTLOOK

## As the market stabilises, we are focused on building out the next vintage under the revised strategy

- Our share price is trading at a large discount to the value of our portfolio and in line with our cash NTA
  - Loss making technology companies have become high-risk assets and valuations are impacted across the board
  - We have a tightly held register with our top 20 shareholders holding ~69%<sup>1</sup> of the company and low trading volumes in our stock
  - Private portfolios of listed peers are similarly impacted with the market not valuing the unlisted portfolio (only valuing cash and listed assets)
- 2023 was another challenging year as we actively worked with our portfolio as they adjusted to the new market conditions and carefully assessed new deal opportunities.
- More optimistic about 2024:
  - Market appears to be stabilising
  - Many companies who have held out or extended their runway will look to capitalise on these more stable conditions to accelerate their strategies
  - We are in market with existing capital and able to execute on deals
- We are looking to deploy capital into new opportunities as we build out our new vintage of assets under our revised investment strategy

1. As of 31 December 2023



## FURTHER INFORMATION

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## THANK YOU



# APPENDIX

# PORTFOLIO SUMMARY

Touch Ventures made one new investment in 2023, with a core portfolio well supported

Company	Initial Investment	Business Description	Investment Amount <sup>1</sup>	FY23 Fair Value <sup>2</sup>	FY22 Fair Value
 sendle	June 2021	Sendle is an Australian & U.S. based virtual parcel courier platform targeting SMB eCommerce merchants.	US\$27.8m / \$36.5m	US\$10.9m / \$15.9m	US\$10.2m / \$15.0m
 PlanPay	February 2020	PlanPay is a budgeting and payments tool which empowers customers to achieve more by breaking down large purchases into small, easily payable chunks and eliminates the burden of budgeting.	Equity: \$17.2m Loan: \$5.1m	nil nil	\$12.0m \$2.1m
 postpay	July 2021	Postpay is a UAE based BNPL business offering 'Pay in 3' instalment plans to online shoppers with no upfront interest or fees.	US\$10.0m / \$13.6m	US\$7.2m / \$10.6m	US\$7.2m / \$10.7m
 BASIQ	January 2021	BasIQ operates a financial data platform which allows financial institutions and fintechs to access, enrich and analyse their customers' financial data.	Exited	Exited	\$10.1m
 Till.	November 2021	Till Payments is an omni-channel, end-to-end Australian non-bank payments provider.	\$5.0m	nil	\$1.2m
 preezie	November 2021	Preezie is an Australian eCommerce technology company which provides an online guided selling customer engagement platform.	\$4.5m	\$4.5m	\$4.5m
 Ordermentum	October 2023	Ordermentum is an ordering and payments platform for the wholesale food and beverage industry.	\$3.0m	\$3.0m	n/a
 refundid	November 2021	Preezie is an Australian eCommerce technology company which provides an online guided selling customer engagement platform.	\$2.4m	\$5.9m	\$5.9m
Early-Stage Portfolio <sup>3</sup>	Various	Early-stage investments limited to 5% of the Touch Ventures portfolio	\$19.1m	\$4.4m	\$4.0m
Strategic Investments	Various	Investments that strengthen Touch Ventures, local and global network.	\$4.1m	\$4.9m	\$5.1m
<b>Total Portfolio Value</b>			<b>\$110.5m</b>	<b>\$49.2m</b>	<b>\$70.7m</b>
Cash and other <sup>4</sup>				\$59.7m	\$53.8m
<b>Total Net Asset Value<sup>5</sup></b>				<b>\$108.9m</b>	<b>\$124.5m</b>

1. Capital invested has been translated using the prevailing foreign exchange rates at the date of investment.

2. Current valuation has been translated using the prevailing foreign exchange rates at month end.

3. Includes the investment in Happay, previously a core investment.

4. Cash and other includes cash, term deposits and other working capital items.

5. Totals may not reconcile due to rounding.