

25 August 2022

## ASX ANNOUNCEMENT

# Touch Ventures Limited 2022 Interim Financial Results

### Key highlights

- Net Tangible Asset (NTA) per share: \$0.22
- Loss for the period: \$29.7m
- Net loss on investments (excluding foreign exchange movements)<sup>1</sup>: \$31.9m
- Cash on hand: \$64.1m
- Capital deployed: 5 investments (\$11.6m)
  - Core strategy: 2 follow-ons (\$9.9m)
  - Early-stage strategy: 1 new investment, 1 follow-on (\$1.4m)
  - Strategic investments: 1 capital call (\$0.3m)

Touch Ventures Limited ("Touch Ventures", ASX:TVL) reported a net loss for the half year ended 30 June 2022 ("HY22") of \$29.7m. The loss was predominantly driven by the revaluation of the investment in Happay, offset by the valuation uplift in Refundid and positive foreign exchange movements, following a review of the carrying value of Touch Ventures' portfolio companies as announced on 4 August 2022. This resulted in the NTA per share reducing to \$0.22 as at 30 June 2022.

Public market valuations, particularly for technology companies, have reduced significantly during the first half of 2022. Given the economic and market conditions, Touch Ventures has slowed the deployment of capital during this half and placed a greater focus on supporting its existing portfolio. Touch Ventures is well positioned with \$64.1m of cash on hand at 30 June 2022 (or \$0.09 per share) to support our current portfolio and invest in new opportunities as valuations of technology businesses revert to more attractive levels.

1. The net loss on investments for the period is \$27.4m which includes a fair value loss of \$31.9m and an unrealised foreign exchange gain of \$4.5m

Touch Ventures revalued its investment in Happay to US\$1.1m / \$1.7m (from US\$24.9m / \$34.4m as at 31 December 2021). Happay has been impacted by regulatory changes and market dynamics in China, which have led the business to pivot towards building a white-label BNPL product. The business has also been adversely affected by extended lockdowns in major cities in China. This hampered Happay's ability to execute its new strategy and its development has been slow. Touch Ventures has also impaired the value of one of its early stage investments.

Touch Ventures completed a total of five investments during the half:

- In February 2022, the Company invested \$0.5m in Her Black Book under its early-stage investment strategy
- In April 2022, Touch Ventures invested US\$5.0m in Postpay via a convertible note
- In June 2022, Touch Ventures participated in the equity raise of Refundid, investing \$0.9m (Touch Ventures' pro-rate share of the total capital raise)
- Touch Ventures invested a further \$2.9m in Play Travel. This investment represents the final tranche of the previously disclosed \$5m commitment
- Touch Ventures also invested a further US\$0.2m into funds managed by Sugar Capital

In June 2022, Touch Ventures implemented a share buy-back programme which may recommence following the release of these results.

Hein Vogel, CEO of Touch Ventures, said: *"We have seen a dramatic downturn in the public markets which has significantly impacted the funding environment for growth companies. We have therefore been patient in deploying our capital and remain conservative when assessing new and existing opportunities. We have also placed a heavy focus on our existing portfolio during this period of change."*

*Touch Ventures is well positioned with a strong cash balance to invest in future investment opportunities and we will look to deploy capital as valuations start to stabilise at more modest levels."*

Touch Ventures also completed the following investments subsequent to 30 June 2022:

- In July 2022, Touch Ventures invested an additional \$0.6m (in addition to its pro-rata investment) in Refundid's capital raise
- In August 2022, Touch Ventures invested an additional US\$2.4m (\$3.4m) in Sendle via a convertible note

This announcement has been authorised for release to the ASX by the Touch Ventures Board of Directors.

### About Touch Ventures

Touch Ventures Limited (**Touch Ventures**) is an investment holding company focused on high growth, scalable investment opportunities in Australia and internationally, including to companies who may benefit from exposure to Afterpay's ecosystem.

Touch Ventures is an internally managed vehicle and has broad flexibility as to how it deploys capital. Touch Ventures' investment strategy is to deploy capital towards high growth, scalable investment opportunities, in particular, investment opportunities within the retail innovation, consumer, finance and data segments in Australia and internationally.

Through its subsidiary Touchcorp Limited, Afterpay Limited (**Afterpay**) is the largest shareholder in Touch Ventures and also party to a collaboration agreement with Touch Ventures whereby Afterpay may refer potential opportunities to Touch Ventures for evaluation.

Touch Ventures listed on the ASX on 29 September 2021.

### Contact details











For further information, please visit our investor website <https://investors.touchventures.com> or contact Investor Relations at [investors@touchventures.com](mailto:investors@touchventures.com)

### Important Notice

Touch Ventures Limited ACN 612 559 958 (ASX: TVL) has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only. It does not constitute an offer, invitation, solicitation or recommendation regarding the purchase or sale of any securities in TVL, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, or financial situation or needs. Any investor must not act based on any matter contained in this announcement in making an investment decision but must make its own assessment of TVL and conduct its own investigations and analysis. Past performance is not a reliable indicator of future performance.



## Portfolio Summary (as at 30 June 2022)

Company	Initial Investment	Business Description	Capital invested <sup>2</sup>	June 2022 Carrying Value <sup>3</sup>	December 2021 Carrying Value
 sendle	June 2021	Sendle is an Australian & U.S. based virtual parcel courier platform targeting SMB eCommerce merchants.	US\$25.0m / \$32.6m	US\$25.0m / \$36.3m	US\$25.0m / \$34.4m
 Happay™	October 2020	Happay is a buy-now, pay-later business based in China which allows consumers to pay for purchases in four instalments payments with no upfront fees or interest.	US\$10.0m / \$14.1m	US\$1.1m / \$1.7m	US\$24.9m / \$34.4m
 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\$10.0m / \$14.5m	US\$5.0m / \$6.9m
 play travel	February 2020	Play Travel sells travel products using its lay-by payment system. It allows travellers to book travel packages and pay in instalments prior to departure, with no hidden fees or interest charges.	\$17.2m	\$12.0m	\$9.1m
 BASIQ	January 2021	BasIQ operates a financial data platform which allows financial institutions and fintechs to access, enrich and analyse their customers' financial data.	\$10.0m	\$10.0m	\$10.0m
 Till.	November 2021	Till Payments is an omni-channel, end-to-end Australian non-bank payments provider.	\$5.0m	\$5.3m	\$5.0m
 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
 refundid	September 2021	Refundid is an instant returns platform for shoppers providing refunds to consumers before their items are returned to the merchants.	\$1.9m	\$5.4m	\$1.2m
Early-Stage Portfolio	Various	Early-stage investments limited to 5% of the Touch Ventures portfolio.	\$2.5m	\$1.5m	\$2.0m
Strategic Investments	Various	 SKALATA  SUGAR CAPITAL	\$4.0m	\$4.9m	\$4.5m
<b>Total Portfolio Value</b>			<b>\$105.2m<sup>4</sup></b>	<b>\$96.1m</b>	<b>\$112.0m</b>
Cash and other <sup>5</sup>				\$64.0m	\$77.7m
<b>Total Net Asset Value</b>				<b>\$160.1m</b>	<b>\$189.7m</b>

<sup>2</sup> Capital invested has been translated using the prevailing foreign exchange rates at the date of investment.

<sup>3</sup> Current valuation has been translated using the prevailing foreign exchange rates at month end.

<sup>4</sup> Totals may not reconcile due to rounding

<sup>5</sup> Cash and other includes operational cash accounts, other current assets and other current liabilities.