

4 May 2023

ASX ANNOUNCEMENT

Chairman's Address and CEO's Presentation at the 2023 Annual General Meeting

Touch Ventures Limited (ASX:TVL) (Touch Ventures or Company) is pleased to release the Annual General Meeting Chairman's Address and CEO presentation.

Chairman's Address:

Good Morning Ladies and Gentlemen. I am pleased to begin the Annual General Meeting for Touch Ventures.

Before dealing with the business of the meeting, I will make some brief comments about the performance of our Company.

As Chair, and also as a material shareholder in Touch Ventures, I share your disappointment with the decline in net asset value and share price of our Company since our last AGM.

With the benefit of hindsight, it is apparent we listed a technology investment company at close to the zenith of the valuation cycle for the sector. While we take no satisfaction from saying it, the reality is that valuations of technology businesses are down by around 50% to 90% from their peak with the largest declines occurring in early-stage businesses where our attention was focussed.

When we identified the trend, the board and management of Touch Ventures took steps to protect the value of our investments and to preserve our cash until the market situation became clearer. The steps we undertook included:

- (i) Working with investee companies to ensure that costs were taken out to reduce cash burn and therefore extend cashflow runway;
- (ii) Ceasing new investments and limiting additional investment in existing investees to small amounts where we perceived a tangible benefit from making further investment; and
- (iii) Reducing our own cost base to align with a reduced focus on new investment.

Our CEO Hein Vogel will present to you following the business of the meeting which will provide some additional insight into our portfolio, our significant cash holdings and our forward-looking investment strategy.

Mr Michael Jefferies

Chairman

-- ENDS --

About

Touch Ventures Limited (**Touch Ventures**) is an investment holding company focused on high growth, scalable investment opportunities in Australia and internationally, including companies that 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 is 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.

Further Information

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

Important Notice

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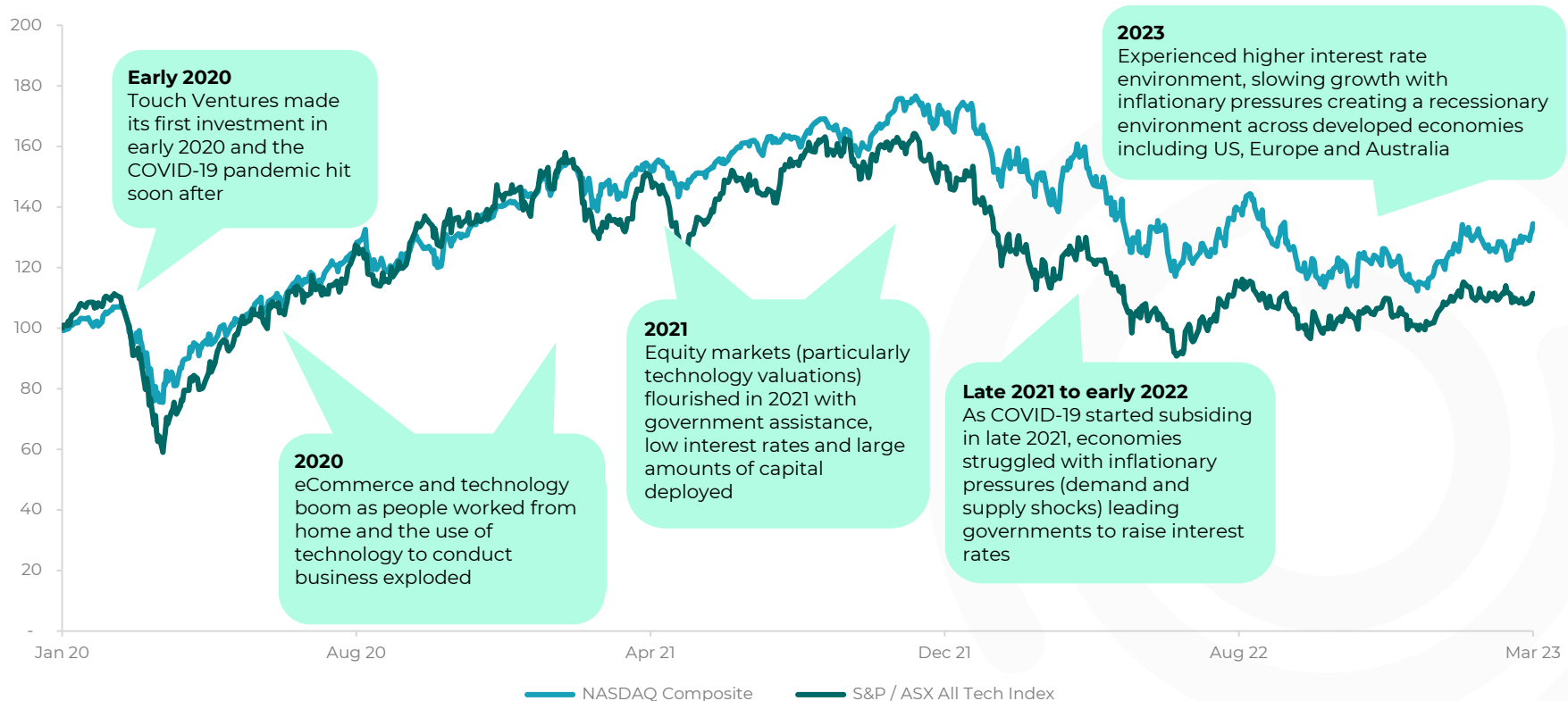
CEO's UPDATE

HEIN VOGEL, CEO



MARKET UPDATE

- Through 2021 private and public market capital deployment reached record highs which saw increased valuations across public equity markets, particularly for growth and technology companies.
- Inflationary pressures emerged towards the end of 2021 into 2022, which caused central banks to raise interest rates
- In 2022 we saw companies delay capital raises and move their focus to managing costs
- This trend continued into 2023 and the market for technology companies remains volatile



YEAR IN REVIEW

\$124.5m of portfolio value as at 31 December 2022

Summary

- Recognised a net loss on our investments of \$66.5m (excluding foreign exchange movements) due to the revaluation of Sendle, Postpay, Till Payments and Happay. In December, we revalued these investments proactively based on market conditions and each individual business' performance
- We also recognised a valuation uplift on our investment in Refundid (based on their most recent raise led by Salesforce Ventures)
- In 2022, we deployed \$19.7m of capital to support our existing portfolio with two new early-stage investments. We have been disciplined in deploying capital but have continued to actively assess new opportunities
 - Supported our existing portfolio and participated in 4 follow on investments deploying \$14.8m
 - Committed a \$5.1m loan to Planpay and provided \$2.1m under this arrangement (balance provided in January 2023)
 - Made 2 new investments under our early stage portfolio and funded one capital call under our strategic portfolio
- We also reviewed our own costs and reduced our full time employees considering we have slowed down deployment of capital and reduced other operating expenses in the business
- Since 31 December 2022, we sold our interest in Basiq for \$14.7m, a 48% return on invested capital

Key Metrics (as at 31 December 2022)

- Net gains / (loss) on investments (excl. FX): (\$66.5m)
- Profit / (loss) for the year: (\$65.2m)
- Cash¹: \$53.7m
- Capital deployed: 7 / \$19.7m
 - Core strategy: 4 follow-ons, 1 loan / \$16.9m
 - Early stage strategy: 2 new / \$2.5m

1. As at 31 December 2022. Cash includes \$20.0 million of Term Deposits with maturity dates no longer than 12 months.

SALE OF BASIQ

- Completed the sale of our investment in Basiq, our first realisation and return of capital
- Basiq was established in 2016 by its founder and CEO, Damir Cuca
- Basiq operates a financial data platform that allows financial institutions and fintechs to access, enrich and analyse their customers' financial data
- Touch Ventures invested \$9.95 million in January 2021
 - Cash proceeds of \$13.9 million received from the sale, with a further \$0.8 million to be received subject to escrow arrangements
 - 48% return on invested capital of \$9.95 million in two years
 - IRR of 19.8%



PORTFOLIO UPDATE

We continue to work with our portfolio companies to enhance their prospects and actively look for ways to create liquidity

■ Sendle

- Continued to build its US partnerships with courier networks and aggregators
- In April 2023, successfully raised additional capital supported by existing investors with Touch Ventures investing US\$0.35m

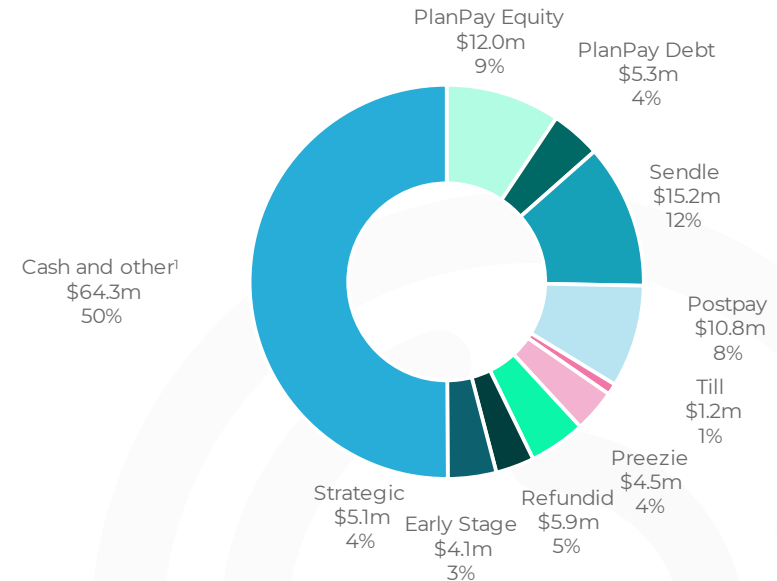
■ Planpay

- Planpay product was officially launched to the market, going live with Ovolo Hotels in February 2023
- Actively working with the company on its capital strategy and future prospects

■ Till Payments

- Implemented a cost reduction program in 2023 to reduce its cash burn and extend its capital runway
- Announced a Series D funding round of \$70 million and the appointment of a new CEO and two new board members

Portfolio as at 31 March 2023 (NAV: \$128.4m)

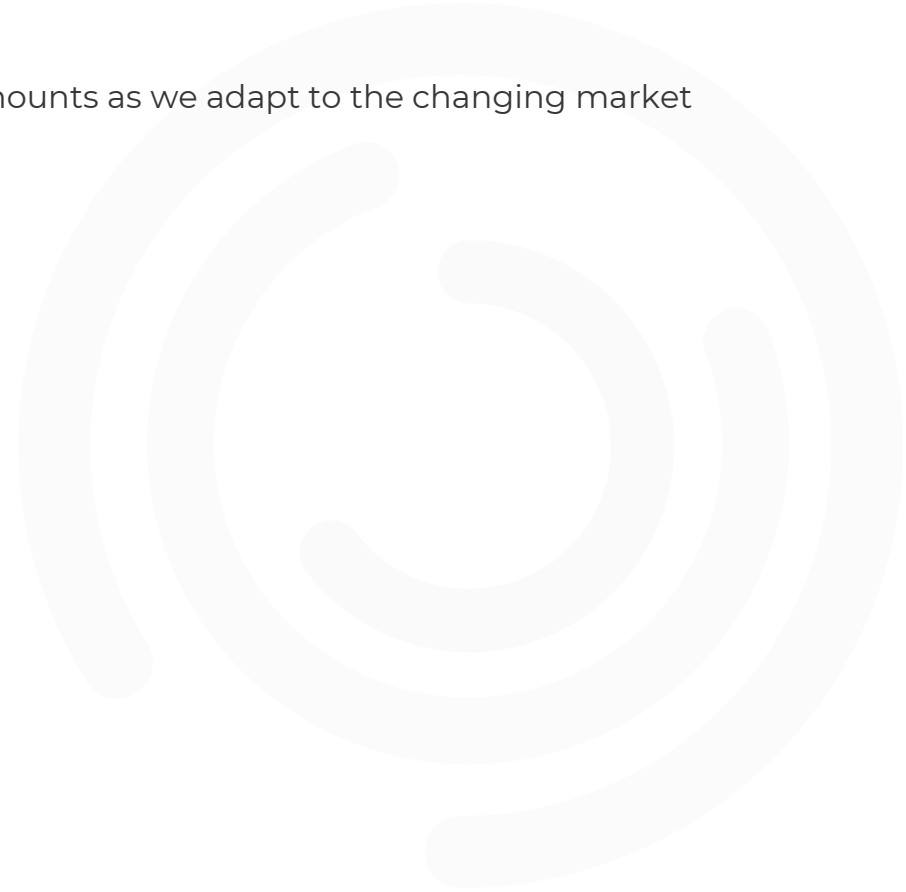


- Net asset position of \$128.4m (18c per share) following sale of Basisq
- Capital available of \$63.6m (9c per share), making up ~50% of the net asset value
- Share price trading at 9c per share which is at cash value or a 50% discount to net asset value

1. Cash and other includes cash and deposits of \$63.6m, and other assets and liabilities of \$0.7m

LOOKING AHEAD

- Difficult to predict the remainder of 2023. We expect volatility to continue in the short to medium term
- Well positioned with \$63.6m of capital available as at 31 March 2023 (Dec 22: \$53.7m) to invest in new opportunities
- We will continue to work with our existing portfolio to enhance their prospects and/or create liquidity where possible
- We will be more flexible with our areas of focus and investment amounts as we adapt to the changing market conditions and look for ways to create shareholder value
- We will remain patient and deploy capital with discipline





FURTHER INFORMATION

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THANK YOU

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