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1/ ONE VENTURES

Quarterly report

1V Venture Credit Fund (Fund IV)
December 2021

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1.1 FUND FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2021

Fund size

$78.4M

Total committed to date

$72M

Represents total value of facilities contracted and cost of equity investments. Principal returned via loan repayments can be recycled into new investments rather than the fund having to call capital

Capital called

$42.8M

Average expected debt yield

15%

Total Accumulated Value

$50.9M

Accumulated Value is net of management fees paid

Total number of transactions

24

Distributions

$7.1M

Distributions includes the recallable capital return of $3M relating to OneVue loan repayment

Exits to date

1

Gross TVPI

1.3x

The TVPI (total value to paid in multiple) includes value of warrants or equity components. Refer to Section 2.3

Fund NAV

$43.8M

1.2 DEAL FLOW SUMMARY (FUND TO DATE)

Number of deals screened

568

Number of deals at term sheet

5

Two term sheets signed with deal closure expected within the next quarter

Term sheets offered

72

Total value of deals at term sheet

$18.6M

Active pipeline

3

Total value of active pipeline

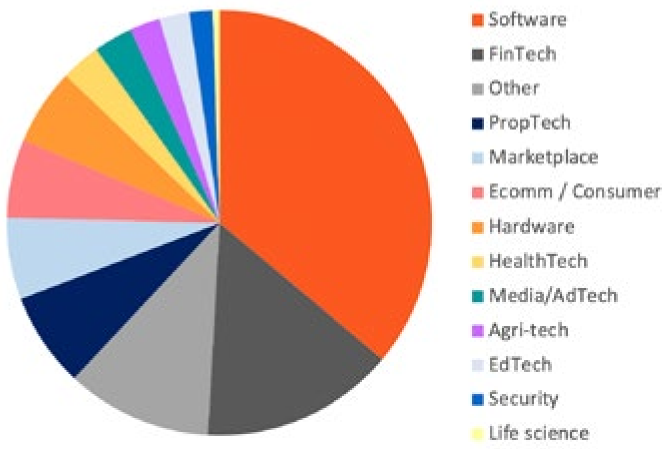
$7M

Co-invesment opportunities

1

Investors were offered the opportunity to invest in Hometime's equity round with several investors negotiating directly with the company

Deal flow by sector (number of deals)



The team has evaluated 568 potential opportunities for the fund across a range of sectors. The active pipeline is robust with 5 opportunities at term sheet.

1.3 TEAM UPDATE

Justine Carzino joined the venture credit team on 10th January 2022 as the new Investment Director with focus on the VGF Fund and is based in Melbourne. Her last role was Senior Vice President of Corporate Finance at Deloitte in Japan. Justine has over 10 years' experience in M&A and private company advisory at Deloitte. She is an experienced corporate finance adviser with comprehensive M&A strategy and end-to-end execution experience. Justine has advised on domestic and cross border acquisition and divestment transactions with a focus on the healthcare and consumer sectors. She has recently returned back to Australia following a 3 year secondment in Tokyo where she focussed on beauty M&A – including next generation trends, interaction in life sciences and innovation in the sector. Justine has also been involved in advisory for the Deloitte Fast 50 companies.

1.4 GENERAL MARKET UPDATE

Momentum continued this quarter closing out a record-breaking year for technology in 2021, both in Australia and internationally. It was the largest year ever for VC in Australia with just under A$8.5B invested into businesses from both local and offshore investors, more than 3x the prior annual record.

Local fundraises this quarter include eCommerce martech company, Rokt, which raised the largest ever single venture round in Australia closing a A$458M Series E led by Tiger Global valuing it at a $2.75B. OneVentures backed Employment Hero raised $180M in a combination of debt and equity creating a new unicorn. Harrison.ai a developer of clinical AI solutions raised $129M led by Horizon Ventures. Pet Circle the online pet supplies marketplace raised $125M led by Prysm Capital and TDM Growth Partners. Tiger Global made headlines again after Mr Yum announced they led their $89M Series A. Practice Ignition, a Sydney based client engagement platform for professional service providers closed a $65M round. Loam Bio an agritech business based in Orange secured $40M from big names including Salesforce founder Marc Benioff's fund, TIME Ventures and Mike Cannon-Brookes.

Some notable IPOs included SiteMinder (ASX:SDR), a hotel booking software company's IPO which raised $627M and digital SME lender, Judo Bank (ASX:JDO), which raised $657M via its IPO. Meanwhile in the US electric truck manufacturer Rivian listed on the Nasdaq, raising US$11.9B and achieving a US$70B market cap, in what was the biggest IPO in the world in 2021.

While the large market leaders continue to raise increasingly large fund sizes, the VC landscape continues to expand locally with Artesian launching a $100M Female Leaders Fund to back startups run by women targeting female customers. Possible Ventures is a new Australian / German VC firm focused on early stage investments based out of Melbourne and announced it closed a $65M fund. Investible closed its second early-stage fund at $52M. Skalata Ventures, which also operates an accelerator programme, is raising $50M for its second fund and has secured commitments of $25M+ from Touch Ventures and Afterpay cofounder Anthony Eisen. Across the ditch Kiwi outfit, Icehouse Ventures, raised $110M for its first growth fund and BNZ announced a new revenue based financing offering for early stage SaaS companies.

1.5 SUMMARY OF NEW TRANSACTIONS

Harmoney

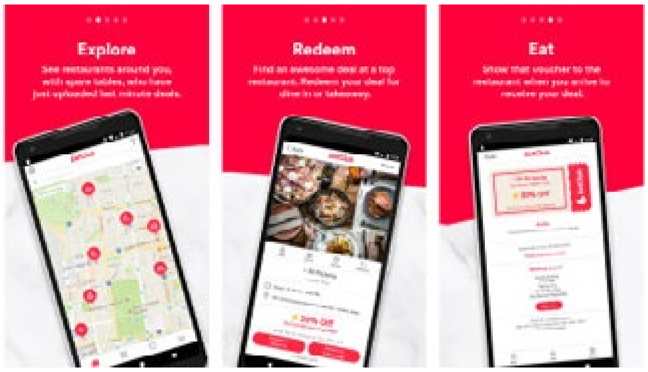
Harmoney is a New Zealand based ASX / NZX listed business with a c.$200M market capitalisation. Harmoney is an online direct to consumer lender which operates in Australia and New Zealand. The company differentiates itself to other lenders in that it is 100% digital with all loans originated directly and not through intermediaries like brokers. The company uses its technology platform to efficiently attract, underwrite and service its customers.

It currently has a loan book of over NZ$0.5B. Loans are taken by customers for a variety of reasons including home renovations, purchasing a car, funding holidays or debt consolidations.

In Dec-21, the fund closed a A$20M facility to the business together with Viola Credit. A$10M was committed by the OneVentures Credit Fund. The purpose of the facility is to fund growth of the business mainly for marketing spend and the group's equity participation in its off balance sheet debt warehouses. Note, the company has low cost bank debt to fund its underlying loans.

Half of the facility was funded on close with the remaining $10M available to be drawn in 2 tranches over a period of 9 months. The facility includes a convertible loan structure for 40% of the total drawn amount which can be converted at OneVentures' discretion at any time during the term at a $2.40 per share conversion price. The base unconverted debt IRR is 11.6%.

EatClub



EatClub is a Sydney/NY based company enabling restaurants to offer last minute deals on eat in or takeaways. Due to high fixed costs in the industry, if restaurants have too many empty tables, they're losing money and therefore utilise EatClub to manage inventory and capacity. With EatClub, venues can send out live deals to attract customers and make a profit on tables that would have gone empty. Venues choose the offer, for example: 30% off for the next 2 hours for 10 customers. Consumers get notifications or check the map-based UX to see what is available. In App purchases using Apple Pay also go straight into the booking and payment systems for the restaurant.

Prior to lockdowns EatClub was seeing an explosion in organic growth, with 600,000 registered app users in Australia in its first year and over 350,000 discounts bring provided per month. It was impacted by COVID 19 lockdowns but has seen a strong recovery in late 2021 and saw a unique opportunity to acquire table booking and management software company Obee to widen its product offering. The team is led by ex-Foodora leadership Pan Koutlakis and Jeroen Willems.

The fund closed a $1.2M facility to the business in December 2021 with the full amount funded on close to fund the acquisition alongside a concurrent $1M investment from existing investors (EVP & Alium). In addition to 13.8% debt IRR, the Fund has also been granted warrants to purchase $160k of preference shares in the company.

Fleet

Fleet Space Technologies is a Satellite Internet of Things (IoT) company based in Adelaide, building a global, software-driven network for monitoring and controlling remote assets. By combining well established terrestrial IoT technologies and protocols such as LoRaWAN with existing and new space infrastructure, Fleet enables a far cheaper way to engage with devices in the 90% of the world's surface without cellular coverage.

Fleet counts a number of utilities and energy companies as its first customers such as SA Power Network, Energy Queensland, Snowyhydro, and Rio Tinto.

Fleet (cont.)

The company is led by Flavia Nardini who was previously at the European Space Agency and supported by a team with over 200 years of combined experience in aerospace and telecommunications. Fleet has strong equity backers, with Blackbird, Grok, HostPlus, Horizon Ventures and Artesian having invested $44M in equity to date including a recently completed Series B in mid 2021.

The Fund closed a $5M facility to the business in December 2021 which is available for the company to draw until June 2022. The funding will be used for investment in its satellite infrastructure capex topping up the recent equity raise. In addition to a 13.0% debt IRR, the Fund also received warrants to purchase up to $750k worth of preference shares.

Follow on debt investments

The Fund provided additional loans this quarter to existing portfolio companies HomeTime and Coassemble of $1.5M and $0.5M respectively.

Opportunistic equity investments

Additionally, the Fund participated in the recent preference equity round of portfolio company Edrolo this quarter making a $500k investment.

2.1 CAPITAL CALL HISTORY

Date	Called amount	% of total committed capital of the Fund
25 April 2019	$4,474,093	10.0% (of first close commitment)
18 October 2019	$3,440,907	6.3% (of second close commitment)
20 December 2019	$7,612,500	14.0% (of second close commitment)
17 February 2020	$2,718,750	5.0% (of second close commitment)
23 July 2020	$8,045,128	10.3%
11 November 2020	$613,659	0.8%
24 June 2021	$1,425,505	1.8%
2 August 2021	$9,793,750	12.5%
10 September 2021	$649,616	0.8%
28 September 2021	$806,117	1.0%
13 December 2021	$381,873	0.5%
16 December 2021	$2,834,600	3.6%
Total	**$42,796,498**	**54.6%**

2.2 PORTFOLIO SUMMARY

Unrealised loans

Name of borrower	Close date	Facility amount	Drawn amount	Loan term	Expected loan yield *
Hometime (3 tranches)	11 April 2019	$5.5M	$5.5M	42 months (T1/ T2) 38 months (T3)	14.8%
Edrolo	13 December 2019	$3M	$3M	48 months	13.3%
Zoomo	24 August 2020	$4.9M	$4.9M	46 months	16.6%
InDebted	23 December 2020	$5M	$3.5M	42 months	14.0%
Coassemble	1 February 2021	$2M	$2M	45 months	13.4%
Hivery	30 March 2021	$5M	$3M	36 months	13.0%
LiveTiles **	28 September 2021	$10M	$6M	42 months	10.4%
EatClub	26 November 2021	$1.2M	$1.2M	36 months	13.8%
Fleet ***	17 December 2021	$5M	-	30 months	13.0%
Harmoney **	29 December 2021	$10M	$4.9M	35 months	11.6%
Total		**$51.6M**	**$34M**		

** Not including warrant return*
*** 40% of drawn amount convertible into ordinary shares at OneVentures' discretion at a conversion price of $0.20 for LiveTiles and $2.40 for Harmoney*
**** Undrawn as at 31 Dec 2021*

Realised loans

Name of borrower	Close date	Facility amount	Drawn amount (fully repaid)	Total profit	Loan term	Loan yield
Shippit	6 November 2019	$1.5M	$1.5M	$281K	13 months	23.4%
OneVue	15 January 2020	$6M	$6M	$1.2M	10 months	27.3% *
Phocas	26 February 2020	$6M	$3M	$499K	12 months	17.9%
Eucalyptus	8 March 2021	$3M	$3M	$544k	5 months	54.6%
Total		**$16.5M**	**$13.5M**	**$2.5M**		

**The OneVue transaction provided for a higher yield without warrants but larger exit fee due to the company being a listed entity*

2.3 WARRANTS & EQUITY RIGHTS

Warrants

Company	Number of warrants	Exercise price *	Fair market value price	Asset value
Hometime (Tranche 1)	40,676	$0.001	$4.99	$202,811
Hometime (Tranche 2)	18,051	$16.62	$1.66	$30,000
Shippit	1,992	$0.001	$479.54	$955,235
Edrolo	1,919	$187.63	$683.69	$951,939
Phocas (Tranche 1 & 2)	235,185	$3.83	$8.70	$2,046,231
Phocas (Loan repayment)	14,706	$2.55	$9.98	$146,725
Zoomo (Tranche 1)	85	$0.001	$7,747.62	$660,868
Zoomo (Tranche 2)	85	$0.001	$7,747.62	$660,868
Zoomo (Tranche 3)	45	$4,646.59	$3,101.04	$138,922
InDebted	20,636	$23.26	$31.01	$160,006
Coassemble (Tranche 1 & 2)	566,667	$0.45	$0.191	$108,233
Coassemble (Tranche 3)	132,605	$0.64	$0.064	$8,500
Eucalyptus	154	$2,231.04	$2,974.71	$114,527
Hivery	769	$598.25	$199.42	$153,333
EatClub	29,005	$5.58	$0.558	$16,194
Fleet	502	$647.17	$64.72	$32,500
			Total	**$6,386,892**

** Exercise price of warrants is dependent on the negotiation at the time*

Equity

Company	Number of shares	Investment cost	Investment value
Shippit	435	$208,598	$208,598
Phocas	23,515	$321,921	$321,921
Eucalyptus	407	$1,210,707	$1,210,707
InDebted	5,936	$177,858	$177,858
Hivery	632	$500,143	$500,143
Zoomo	36	$275,738	$275,738
Edrolo	731	$499,777	$499,777
	Total	**$3,194,742**	**$3,194,742**

2.4 PORTFOLIO COMPANY UPDATES

Coassemble
Corporate training creation tool

ARR has grown 32% since the outset of the year reaching $2.9M ARR in November with the customer count up 18% standing at 866. Annual revenue per account continues to grow steadily, up 16% to $275. The company welcomed some new team members this quarter including a Head of Finance, Head of Sales and Head of Product Growth.

Hiring will continue in the New Year as the company seeks to further build out the sales team and there will be a continued focus on employee retention, given competition for talent (particularly those with SaaS experience) in the current market. Some retention initiatives launching from January 2022 include additional leave, a fitness allowance and a new ESOP programme. The Fund provided the company with an additional $500k loan in December to compliment the internal equity raise last quarter.

Edrolo
High school e-learning platform

Despite a challenging year for school closures due to COVID, Edrolo continues to perform well and build its market dominant position in Australia. School retention remains strong with excellent coverage across Victorian and NSW schools, and good penetration in Queensland where sales only started 7 months ago. Its new Year 7 material in Maths and Science is also trialling well in over 100 schools.

Edrolo ended 2021 with most of its revenue locked in for 2022. Total revenue for 2022 is expected to be just under $20m representing growth of around 25%.

Additionally, the company completed a Series B fundraise during the quarter raising $19M in primary capital at $190m pre-money valuation. This was provided by existing investors and new investors. The funding will enable the company to invest further in content and growth in sales. The Fund invested $500k into the equity round taking up its pre-emptive rights.

Eucalyptus
Direct to consumer (DTC) healthtech platform

Eucalyptus continues to perform very strongly and hit $44M run-rate revenue in November, slightly behind budget but still representing 63% growth on June 2021. This was primarily driven by Software (skincare) and Pilot (men's health).

Eucalyptus launched its second dedicated pharmacy partner, this time based in Brisbane. The next one will be in the UK, which Eucalyptus has determined offers significant promise due to local competitors operating without their own pharmacies. The first hires have been made in the UK and a site has been identified. Eucalyptus currently has 44 open roles and would appreciate any introductions to help fill them.

The company is at an advanced stage in Series C fundraising discussions due to complete later this quarter.

Hivery
AI software for grocery retail

Hivery had a strong year with ARR nearly doubling from the start to the end of the year reaching $7.2M in December. The new pricing and sales approach is working well and pipeline is strong going into 2022. A key focus is on managing delivery with clients given strong sales. The company is developing its product such that it requires less service delivery and implementation time, and therefore reduces pressure on internal resources

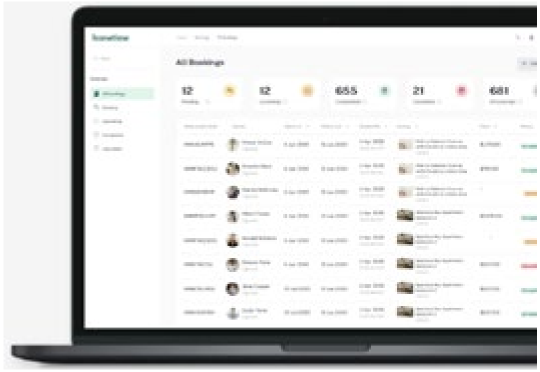
The company is currently prepping for its Series B and plans to go to market in the coming months.

Hometime
Host management platform for Airbnb

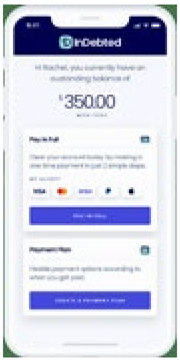
Revenue growth has been very strong in the final quarter with revenue increasing above $10M for the first time since before COVID. With restrictions easing, the business had two all-time best days in the same week in December and is expecting a record-breaking January. Properties also grew slightly to just above 800.

HomeTime got board approval and support to return to its property portfolio acquisition strategy, with 2 acquisitions for c.100 properties at documentation stage. Hometime launched its multichannel product, allowing providers to manage bookings on Airbnb, Booking.com, Stayz and others through Hometime.

HomeTime closed a $3M con-note extension from existing investors and an additional $1.5M in venture credit from the Fund in December. The company now has sufficient cash to execute its growth plan.



Indebted
Digital debt collection



Following its Series B earlier in the year InDebted is in growth mode and has made a large number of hires during the quarter; critical senior roles included a VP of Europe, one in the UK and one in Mexico, a Head of Engineering and a Head of People and Culture. The total team now stands at 230 people bolstered by the switch to a 4-day work week which has been a great success increasing candidate applications on average 283% for roles across the business, with some role applications jumping as much as 700%. Similarly, it has helped attract an increase in calibre of talent and is showing signs of being a successful retention tool.

The company continues to grow its core digital business with promising new customers. It is expected to be slightly behind budget for the quarter as some large customers are taking longer to onboard. It has had great success with AfterPay increasing the share of business it collects for the BNPL company. Organic business in the US continues to grow rapidly and new market launches continue with the current focus being Italy, Spain, and Mexico.

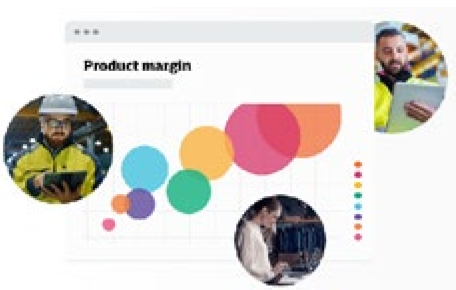
The company plans to launch its Series C raise soon and are speaking with several crossover funds and global growth equity VC's.

OneVue (Exited)
Technology platform for the wealth management sector

OneVue was acquired by financial markets software company Iress (IRE.AX) for $115M via a Scheme of Arrangement on November 6th 2020. On completion of the acquisition, the OneVentures outstanding loan was repaid according to contract given the change of control.

The fund achieved a 27.3% IRR and 1.2x money multiple ($1.2M profit) over a 10-month period. A special distribution of $3.48M was made to investors on 18th December 2020 reflecting half of the capital repaid and the $480k early prepayment fee on the loan.

Phocas
Business intelligence & data analytics software



Phocas has successfully repositioned itself as an expanded Planning and Analysis (xP&A) company versus a business intelligence (BI) company. xP&A is a planning approach that takes the best financial planning and analysis (FP&A) capabilities such as continuous planning, forecasting, advanced analytics, and performance monitoring – and extends them across the enterprise.

Phocas (cont.)
Business intelligence & data analytics software

Phocas' product suite has broadened to include Financial Statements and Budgeting and Forecasting and these two products are showing rapid growth and opening up the Phocas business to a horizontal SaaS play across many sectors versus the more specialised verticals in BI (manufacturing, distribution and retail). The xP&A market is slated to be valued at over $57B by 2025 and Phocas is seeing 300% growth in this area of their business, particularly in the US. To support the rollout of the new products in FP&A, Phocas is currently establishing partnerships with PKF and BDO accounting firms along with their traditional channels through large ERP vendors like Epicor.

Total revenue of $17.3M for Q1 of FY22 is 5% ahead of budget and 24% above last year. When adjusted for exchange rates, year-to-date revenue growth is 27% and October growth moved higher to 31% as the company scales its new revenue streams. Group ARR was $47.5M to end of October and targeting circa $60M in revenue for the June FY22 year end.

Strategically, the company is shifting its thinking to greater scale and product led growth. OneVentures has been involved in strategic planning sessions to consider the organisational structure, technical and process impediments to faster growth and scale recognising the significant market opportunity. The management team are working on a plan which will likely involve a major capital raise in the first quarter of 2022 to accelerate the business and bring in new US growth investors.

Shippit
eCommerce logistics software

Shippit has been reviewing a number of strategic areas in order to set itself up for further growth in 2022. One of these is around reviewing its different service offerings and the pricing of each. Additionally, it has been reviewing where to build out its product offering. It has also made a number of hires including a new CFO, Dan Shakenovsky (ex Xero) and CTO, Graham Carrick (ex Atlassian).

ARR in October was $20.4M which was around 7% behind budget mainly due to higher delivery costs due to the freight profile mix. Revenue for the end of the year is expected to be strong off the Christmas trading period with now increased ecommerce penetration.

Despite still having a material cash position and long runway following its Series B in December 2020, the company sees growth opportunities both organically and via acquisitions. It is in the process of finalising a large equity round at a strong valuation uplift. There should be further information to share next quarter.

Zoomo
Electric utility bike subscriptions

The business has had some significant contract wins with strong interest from the 10 minute grocery delivery companies. It closed contracts for 800 bikes to Zapp, Getir UK and Gorillas France. Also the company rolled out its first 1,000 e-mopeds in the UK. However, there were some setbacks on its new bike due to a fork issue and there are ongoing supply chain issues, which is common across the industry. Strategically Zoomo set its budget for 1H 2022 with the extremely ambitious goals of hitting US$50M in revenue by June 2022 and 20,000 bikes moved. The business also wants to grow its software team and begin providing dashboards, analytics and tools for the riders and food delivery companies. Zoomo may potentially even sell this software separately to the bikes in future iterations.

Zoomo wants to hire an additional 100 staff by June 2022, and like other companies across the portfolio is finding it challenging hiring talent in Australia. Zoomo closed an additional US$20M in equity (a Series B+) in December 2021 bringing its Series B to US$50M.

LiveTiles
Employee experience software

As LiveTiles is a public company (ASX: LVT), please refer to: livetilesglobal.com/company/investors/ for publicly disclosed information.

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WE HELP MAKE THE COMPANIES THAT MAKE THE BEST RETURNS.

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