

OCTOBER 2017

Interim Results 2017 Presentation

draper esprit

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Contents

- Interim Update
- Portfolio Update
- Company Strategy
- Outlook
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Interim update

Draper Esprit plc

is a European Venture Capital Company

Focused on finding, investing in and helping to scale
the next generation of high growth
technology companies.

Through an evergreen listed vehicle
and associated co-investment funds.

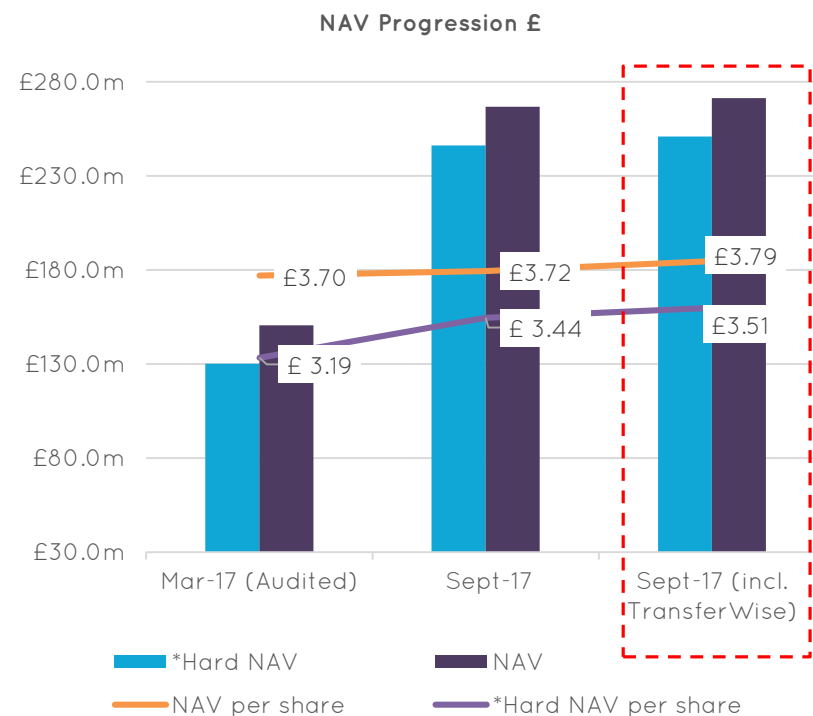
Interim results September 2017 highlights

Financial highlights

- Gross primary portfolio value increased by 44% to £162.8 million, 22% in fair value gains.
- 372 pence NAV per share (Seedcamp/Transferwise adds 7 pence post period to 379 pence).
- 344p NAV per share, excl. goodwill (Seedcamp/Transferwise adds c.7 pence post period to 351 pence).
- £266.8 million Net Assets including goodwill (~£272 million inc Seedcamp/Transferwise).
- £20.9 million profit after tax to 30th September.

Operational highlights

- The Group has invested £26.5 million in 3 new and 6 existing portfolio companies during the period.
- Gross primary portfolio fair value grew by 22%.
- £100 million capital raised from new and existing shareholders by plc and £35.0 million was raised across the EIS and VCT vehicles.
- Ben Tompkins, formerly Managing Partner at Eden Ventures and Co-head of the Global Software, Services & Media practice at Jeffries.
- £92.0 million cash at 30th Sept (£74.0 million after Seedcamp/Transferwise).

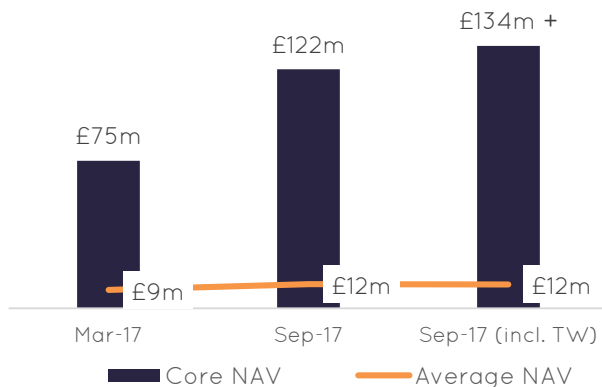


* "Hard NAV" is net asset value excluding goodwill of £20.5m

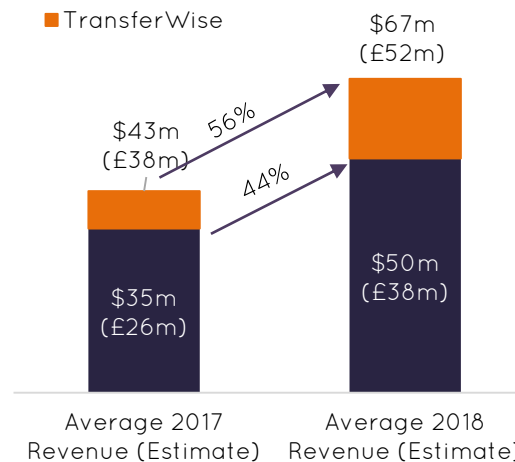
Core Assets high growth

- Core represents 76% of Gross Portfolio Value (c.77% including TransferWise)
- Core - 10 co's with total value £122m (£12m average NAV at interim), with TW included rises to ~£134m+ (£12m average)
- 11% average equity holding in Core co's
- 70% average gross profit margin (c.70% including TransferWise)

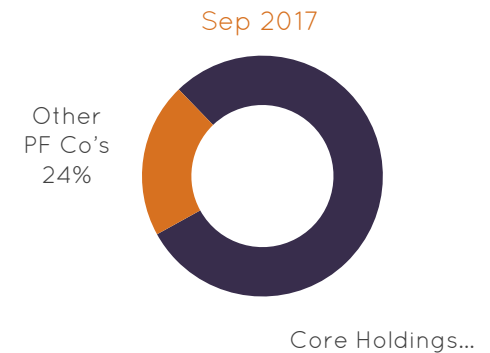
Core Portfolio Growth



Average Revenue - Core



Core Portfolio %



Portfolio update

Group invested **£38.5 million** since March 2017*

Core

GRAPHCORE

£1.8 million
invested by plc

 **perkbox**

£6.6 million
invested by plc

 **PUSH DOCTOR**

£7.0 million
invested by Group

 **TRUSTPILOT**

£5.6 million
invested by plc


TransferWise

£12+ million invested
by plc post period
end

Emerging

VERVE

£6 million invested
by Group

 **ieso**
digital health

£7.5 million invested
by Group

 **PremFina**

£3.5 million invested
by Group

Seedcamp

£17.9 million invested
by plc post period
end

Key portfolio companies underpin NAV growth



TRUSTPILOT

Trustpilot is a global, multi-language review community with customers in 65 countries.

Strong SaaS revenue model with strong growth and ambition to build the world's single most trusted review company.

Consumers visit the Trustpilot website to leave positive or negative reviews about an online merchant where they purchased a product. Once a merchant has a paid subscription to use Trustpilot, they are able to respond directly and openly with consumers who have left reviews.

Cash invested:

£17.0 million

Current NAV:

£29.5 million



graze nature delivered

Online and offline retailer and manufacturer of healthier snacks, operating in the UK and the USA.

Utilises data generated from user reviews to innovate and develop new products for wholesome on the go snack options. Retail product across 9,000+ stores in UK including retailers such as Boots, Tesco, WH Smith and Sainsbury's

Launched into 7,500+ retail stores in the USA and further online growth is forecast. Graze remains profitable with strong gross margins.

Cash invested:

£3.7 million

Current NAV:

£10.0 million



CLAVIS INSIGHT

Global leading technology & data platform used by consumer product brands to measure and manage ecommerce.

Shift to online shopping and omnichannel shopping will drive more brands to buy an eCommerce measurement service for more retailers.

A strategic partner to hundreds of the world's largest manufacturers and brands in CPG/FMCG, Beverages, Consumer Health care, Nutrition, Electronics, Toy and Business to Business industries.

Cash invested:

£8.1 million

Current NAV:

£12.8 million



conversocial

Cloud-based social customer service solutions using analytics. Provides accurate, actionable insights on customer trends over time and comprehensive application program interfaces that integrate into customer relationship management and contact centre technologies.

Has increased its office presence and has recorded new client wins across North America, UK and Europe.

Partnership agreement with Twitter which is expected to drive larger enterprise sales.

Cash invested:

£2.5 million

Current NAV:

£7.5 million

Key portfolio companies underpin NAV growth



LYST
LONDON & NEW YORK

Founded in 2010, Lyst is an online fashion marketplace that lets people shop across over 11,500 different online stores using a single check-out.

Differentiated from other “aggregation” websites by the size of the pool of online stores and designers that it aggregates.

Develops technology to personalise the experience for visitors, suggesting new items to customers based on previous purchases, with a real-time ability to show the customer what is actually in stock and where.

Cash invested:

£2.6 million

Current NAV:

£12.1 million



SPORTPURSUIT

Founded in 2011 as a UK-based sport specific e-commerce website where members receive access to sales from brand partners targeting the technical sportswear and outdoor clothing and equipment space.

Offers up to 70 per cent. discounts on sports and outdoor brands.

Currently with customers in the UK, Australia, Germany, France and Scandinavia. It aims to be the world’s largest private shopping club for sports enthusiasts.

Cash invested:

£3.6 million

Current NAV:

£12.3 million



M-Files®

Software company which provides enterprise information management (EIM) solutions to eliminate information silos and provides access to content from core business systems and devices. Uses software based on the meta-data contained within the document, therefore it is not constrained by where the document is stored or resides.

New initiatives in product (mobile), geography (Germany, Australia and NZ) and enterprise are driving revenue growth.

Cash invested:

£2.5 million

Current NAV:

£11.2 million



perkbox

Perkbox provides a platform that enables companies of all sizes (from large corporates to small start-ups) to incentivise, motivate and attract staff through over 200 perks and benefits, including a sophisticated rewards and recognition infrastructure.

Over 300,000 paying members ranging from SMEs to large corporations such as British Gas and BUPA.

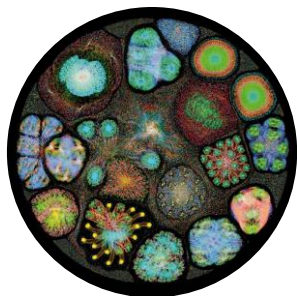
Cash invested:

£8.3 million

Current NAV:

£11.3 million

Key portfolio companies underpin NAV growth



Graphcore®

Machine intelligence company, Graphcore, has now moved into our core portfolio after they raised a further \$30.0 million in series B funding in July. The funding comes as the company prepares to ship its first Intelligent Processing Unit (IPU).

The IPU is the first processor to be designed specifically for machine intelligence and will deliver between 10x and 100x acceleration compared to today's hardware.

Cash invested:

£4.2 million

Current NAV:

£7.0 million



PUSH DOCTOR

Telemedicine company, Push Doctor, has now moved into our core portfolio after they raised a further \$26.1 million in July. Since they last raised Push Doctor have been growing revenue over 35% month on month for over a year. They have now treated more cases digitally than anyone in Europe.

Push Doctor is a digital health consumer brand, connecting patients to a smart network of thousands of UK qualified GPs, giving them access to a doctor in as little as six minutes on any device.

Cash invested:

£4.5 million

Current NAV:

£7.7 million









TransferWise

Through the acquisition of Seedcamp Fund I and II as a Secondary portfolio, Draper Esprit have acquired a stake in Transferwise, a leading UK based Fintech business.

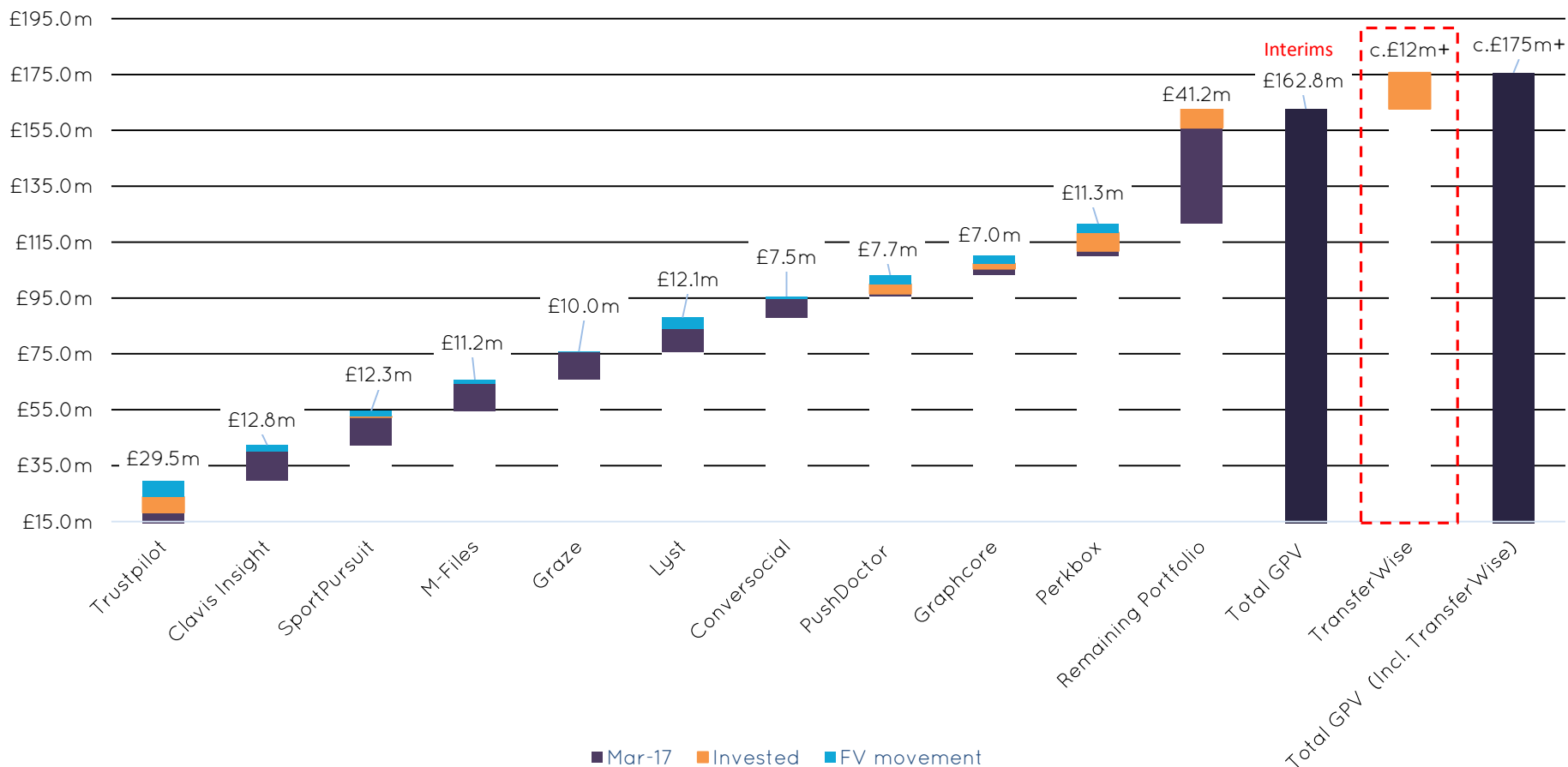
Co-founded by Taavet Hinrikus and Kristo Käärmann, TransferWise launched in 2011. It is one of Europe's most successful fintech startups having raised \$117m in funding from investors such as Andreessen Horowitz, Sir Richard Branson, Valar Ventures and Max Levchin of PayPal. Over a million people use TransferWise to transfer over \$1.2 billion every month

Acquired as part of a Seedcamp transaction

Emerging companies can grow into future core assets

| Enterprise | Digital Health & Wellness | Deeptech/ Hardware | Consumer Tech |
|---|---|---|---|
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Gross Portfolio Value ("GPV") progression



Company strategy

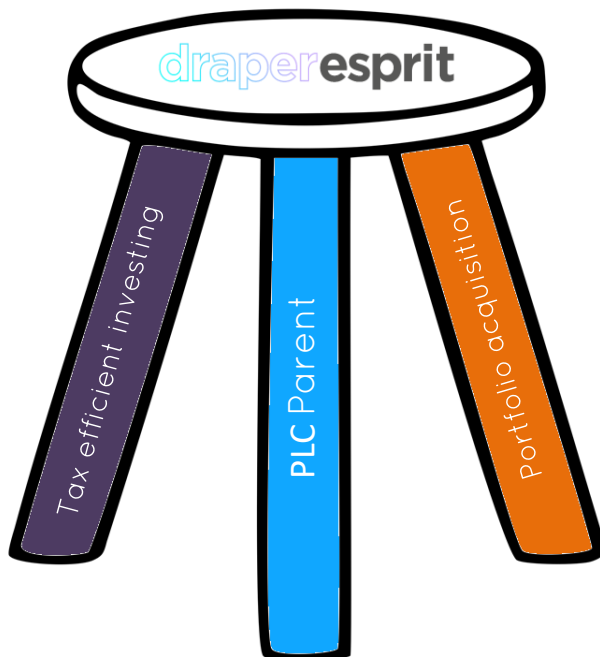
Experience has driven our successful model

- ✓ Invest small amounts early, reserving more capital for later stage rounds **c70% capital late stage**
- ✓ Seeking companies born in Europe which can be **global leaders**
- ✓ We **actively manage**: board members, hands-on. We add value via networks and expertise.
- ✓ PLC target **£60m** investment p.a, with EIS/VCT target **-£40m** p.a co-invest
- ✓ Seed Fund investments up to **£75m** over a five-year period
- ✓ Secondary deals including recent **£18m** Seedcamp Fund I and II

From potential opportunity to exit



Three pillars of capital: AUM > £460m (US\$600m)



PLC Parent

- Primary and secondary investing from listed balance sheet
- NAV of £266.8 million at interm September 2017
- 30+ direct investments
- Investing £60.0 million per annum

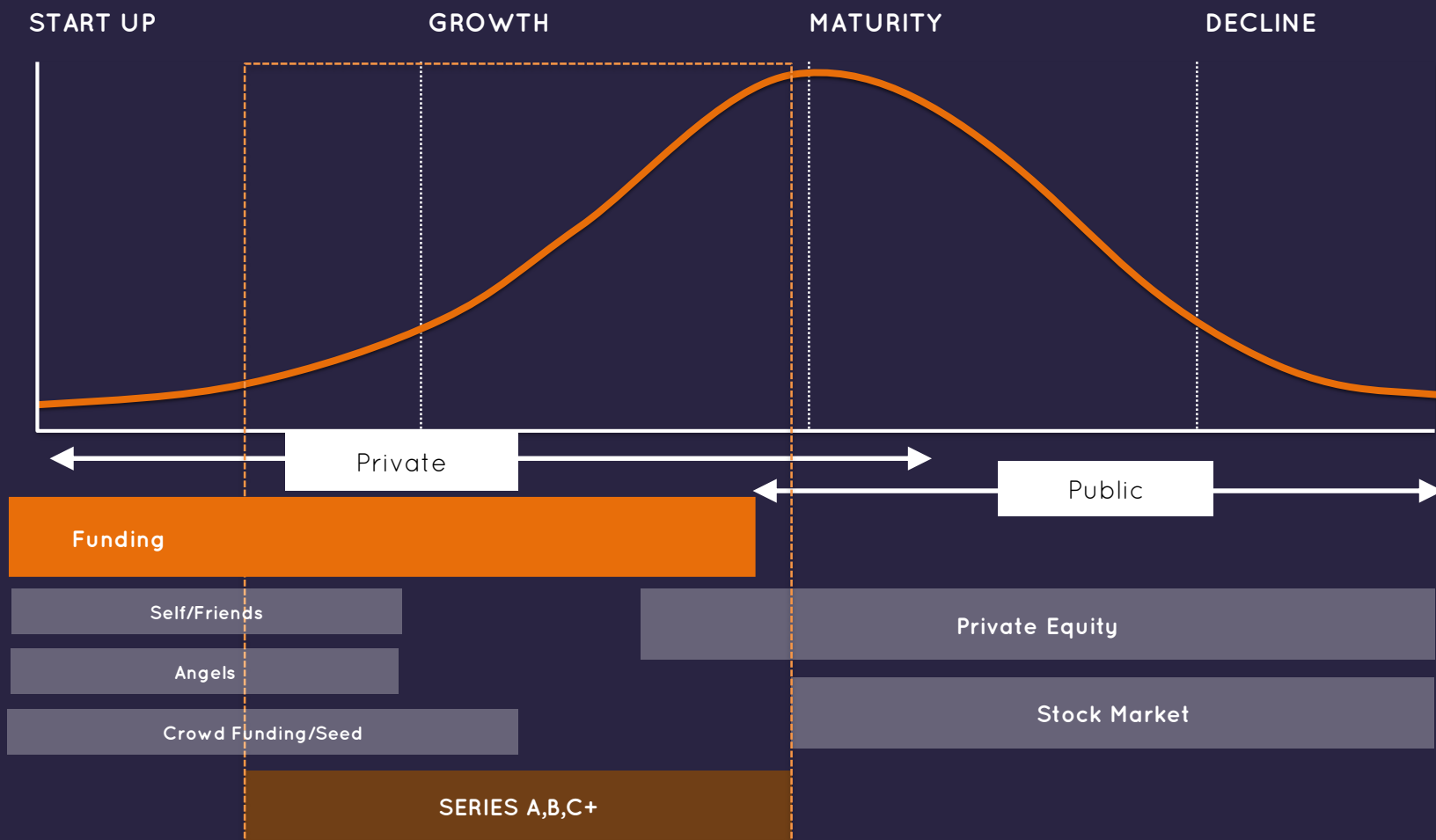
Tax efficient investing

- Co-invest in Plc deals
- Raising ~£40.0 million per annum
- Fees to plc
- Increases network and dealflow sourcing

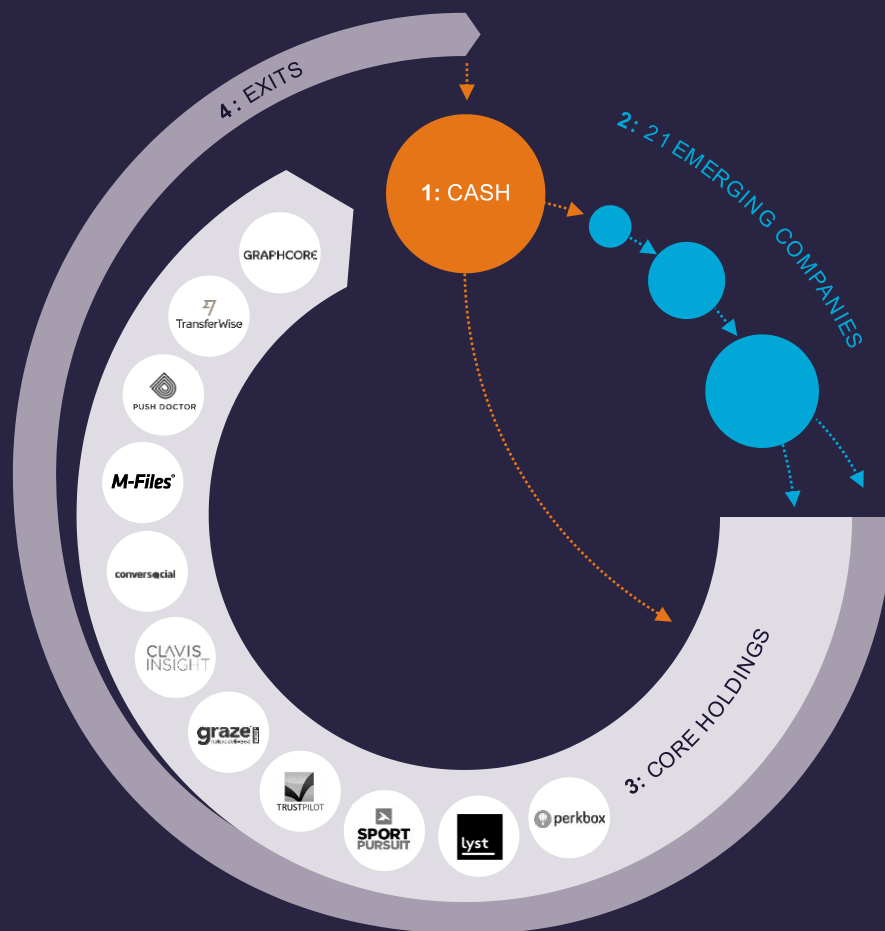
Portfolio acquisition

- Acquire portfolio of assets at discount, same investment criteria as primary deals
- Third party LP funds alongside plc investment
- Acquire quality assets alongside tail to be managed
- Standalone returns and further source of future dealflow

Draper Esprit provides access to high growth technology companies across Europe



Draper Esprit has innovated on the venture capital model for the public market



1. Cash

When the companies exit, the cash generated is returned to the balance sheet and re-invested into new opportunities in the market.

2. Emerging companies

The Company invests in entrepreneurial, fast-growing businesses.

3. Core holdings

Draper Esprit will provide follow-on capital, meaning the stake the Company holds becomes more significant. This occurs at the point that the business has proven its model.

4. Exits

Businesses can exit the portfolio either when an emerging company, where Draper Esprit holds a smaller stake, or a core holding. Businesses either exit to a strategic buyer or by taking the company public through an Initial Public Offering (IPO).

Seed fund of funds

- The Company has announced its intention to invest £75 million into Europe's top seed funds over five-year period.
- Post-period the Company invested in two of Europe's leading seed fund platforms Episode 1 and Seedcamp.
- Draper Esprit are already investors in crowdfunding companies, Crowdcube and Seedrs, also earlier stage investors.
- By closely aligning Draper Esprit with the seed fund ecosystem, the Company is able to provide growth capital and unlock the strong performance of seed funds.
- This strategy also enables us to stay close to earlier stage businesses, backing the winners later in their growth.



Former backers of Zoopla

and

Seedcamp

Former backers of
Transferwise

Seedcamp acquisition

- Post- period end Draper Esprit announced the acquisition of Seedcamp Funds I and II for £17.9 million (€20 million).
- The Company has acquired meaningful minority stakes in high profile growing technology companies including Transferwise, a leading UK based Fintech business.
- The portfolio also includes Codacy, Edited, Erply, Fishbrain, Basekit, Codility, Winnow, Codeship, and Try.com.
- Following the deal, Draper Esprit will continue to invest further in the portfolio to help it develop and grow.
- The Seedcamp management team will continue to work closely alongside the Draper Esprit team to manage the portfolio and to create further value for investors in the funds.



Investing a growing team

Jonathan Sibilia
Head of Secondaries



Vishal Gulati
Venture Partner



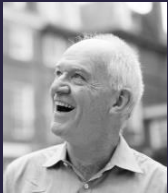
Brian Caulfield
Managing Partner



Ben Tompkins
Partner



Alan Duncan
Venture Partner



Michael Jackson
Partner



Richard Marsh
Partner, EIS



David Cummings
Partner, EIS



Vinoth Jayakumar
Principal



Philip O'Reilly
Principal



William Horlick
Partner



Nicola McClafferty
Investment Director



Diana Krantz
Associate



Maxim Filippov
Associate



Eleonore Butler
Associate



Simon Cook
CEO



Simon is the CEO of Draper Esprit and has been involved with the European VC industry since 1995. He co-founded Draper Esprit in 2005 and has been involved with a number of Europe's most successful startups including Lovefilm (Amazon), Cambridge Silicon Radio (IPO), Virata (IPO), nCipher (IPO) and KVS (Symantec).

Stuart Chapman
COO



Prior to co-founding Draper Esprit in 2005 Stuart was a partner of 3i Ventures where he was also a founding partner of their Menlo Park office. Over his 13 years at 3i he was responsible for investments in Neutec Pharma (LSE), Network Technology (LSE), The Cloud, Searchspace and Magic 4. Stuart served as a member of the BVCA Council and Chairman of the Venture Committee.





Ben Wilkinson
CFO



Ben is an experienced leader of public company finance teams. Prior to Draper Esprit he served for five years as CFO of AIM listed President Energy PLC where he was responsible for all financial aspects of the group. Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS.

Team are a unique combination of VCs, entrepreneurs, bankers, 150+ companies invested, ex 3i, Cazenove, etc. Expanding as we grow, with the most recent hire Ben Tompkins.

Draper Esprit actively manages companies in **enterprise, digital health, hardware & consumer tech** across plc, EIS and VCT.

| Enterprise | Digital Health & Wellness | Deeptech/ Hardware | Consumer Tech |
|---|---|---|---|
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DVN: global companies need global networks

As a global network, the Draper Venture Network enables our portfolio to access markets as they shift.



MEMBER OF THE
**DRAPER
VENTURE
NETWORK**



We have partners in Asia, the US, and the Middle East. For both commercial connections and future funding, our portfolio is well supported to internationalise.

Outlook

Company Outlook

- It has been another progressive six months for the Group; raising capital; investing in our team; supporting existing portfolio companies.
- We set ourselves a financial benchmark of portfolio growth of at least 20% year on year growth and are consistently achieving this.
- The Placing and Subscription of £100.0 million (£95.3 million net of fees) is a validation of our model, attracting high profile investors such as Invesco Perpetual and Hargreave Hale.
- Our Net Asset Value is growing substantially and we are on target to hit market expectations across all metrics for the year end.

Appendix

Gross Portfolio Value Table

| Gross Portfolio Value Table | Fair Value of Investments 31st March 2017 £'000 | Investments £'000 | Realisations £'000 | Movement in Fair Value £'000 | Fair Value of Investments 30-Sep 2017 £'000 | Interest FD* at reporting date |
|------------------------------------|---|-------------------|--------------------|------------------------------|---|--------------------------------|
| Trustpilot | 18,226 | 5,569 | - | 5,728 | 29,523 | C |
| Clavis Insight | 10,673 | - | - | 2,130 | 12,803 | D |
| SportPursuit | 10,070 | 206 | - | 1,987 | 12,263 | D |
| M-Files | 9,789 | - | - | 1,451 | 11,240 | B |
| Graze | 9,683 | - | - | 365 | 10,048 | B |
| Lyst | 8,052 | - | - | 4,081 | 12,133 | C |
| Conversocial | 6,899 | - | - | 617 | 7,516 | D |
| PushDoctor | 1,000 | 3,500 | - | 3,172 | 7,672 | B |
| Graphcore | 2,307 | 1,853 | - | 2,837 | 6,997 | B |
| Perkbox | 1,650 | 6,616 | - | 3,079 | 11,345 | C |
| Remaining Portfolio | 31,152 | 8,788 | - | (1,709) | 38,231 | - |
| Draper Esprit (Ireland) Limited | 1,293 | 842 | (1,534) | - | 601 | - |
| Total | 110,794 | 27,375 | (1,534) | 23,738 | 160,373 | - |
| Co-invest assigned to plc | 1,935 | - | - | 453 | 2,388 | - |
| Gross Portfolio Value | 112,729 | 27,375 | (1,534) | 24,191 | 162,761 | - |
| Carry external | (5,621) | - | - | (1,162) | (6,784) | - |
| Portfolio deferred tax | (3,413) | - | - | 296 | (3,117) | - |
| Trading carry & co-invest | 2,276 | - | - | (154) | 2,122 | - |
| Net portfolio value | 105,971 | 27,375 | (1,534) | 23,170 | 154,982 | - |

* Fully diluted interest categorised as follows: Cat A: 0-5%, Cat B: 6-10%, Cat C: 11-15%, Cat D: 16-25%, Cat E: >25%

What does the VC market
look like today?

Venture Capital is a growing asset class



Companies are staying **private** for longer.

“Technology companies worth more than \$1 billion... have fewer reasons to go public than they did in the past. **McKinsey 2016**”

The average technology company worth more than \$10 billion went public within four years in 1999. Now the average has more than doubled.



Global VC market now worth **~\$128bn.**

Predominantly accessible only to Limited Partnerships.

European Venture Capital currently an industry worth \$15bn. KPMG 2017



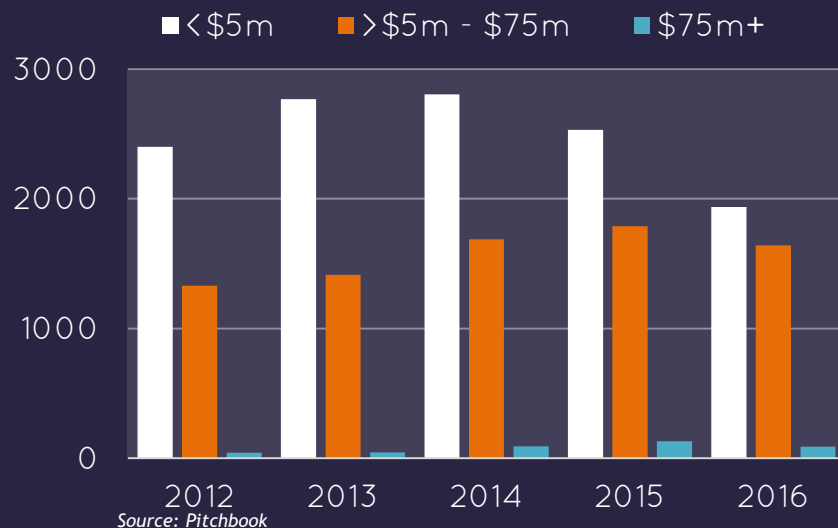
European Venture Capital opportunity **compares to the US** industry in the 1990s.

Our research shows that Europe is following a very similar path to the US in the 1990s. 2010's European technology growth is almost identical to that of the US in 1990.

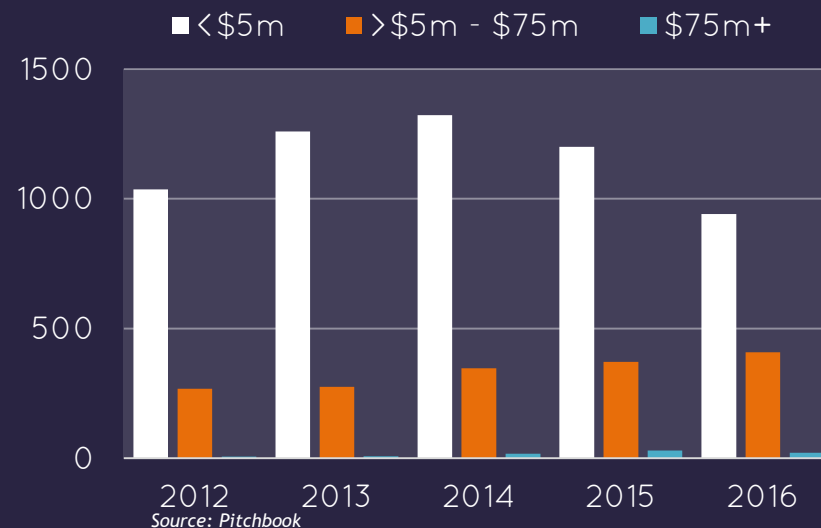
Europe is building a sustainable VC industry.

European Venture Capital market today

Number of deals by size in the
USA each year



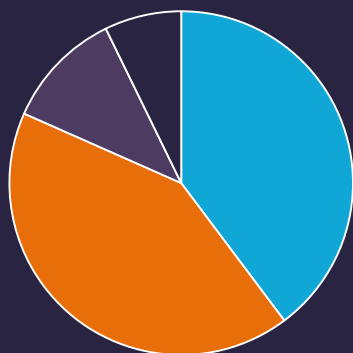
Number of deals by size in
EUROPE each year



- USA is a mature **\$40bn VC market** – growth is in **\$30bn** “pre-IPO”
- Only **43%** of European start ups now go on to do a growth round, compared to **85%** of start-ups in the US.
- Europe **500 - 1,000** growth deals behind but catching up: UK 25% of this so **250-500** growth companies @ \$20m = **\$5bn (£3bn)** UK gap

European Venture Capital market 2017

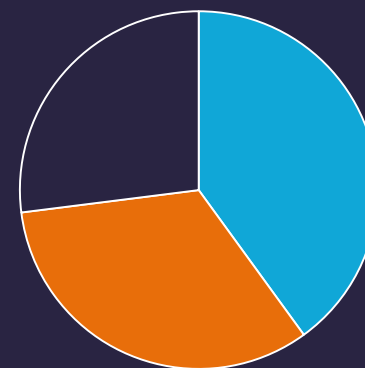
Percentage of European deals over \$5 million by sector 2017



■ Consumer ■ Enterprise ■ Hardware ■ Digital Health

Source: Pitchbook

Percentage of European deals over \$5 million by region 2017



■ UK/ Ireland ■ DACH and Nordics ■ France, Benelux, Southern Europe

Source: Pitchbook

| Sector | No of deals | UK | Ireland | France | Benelux | South Europe | DACH | Nordic |
|---------------------|-------------|------------|-----------|-----------|-----------|--------------|-----------|-----------|
| Consumer | 132 | 46 | 4 | 22 | 9 | 3 | 33 | 15 |
| Enterprise | 139 | 54 | 3 | 24 | 11 | 9 | 25 | 13 |
| Hardware | 37 | 12 | 3 | 5 | 2 | 1 | 11 | 3 |
| Digital Health | 24 | 9 | 2 | 4 | 1 | 0 | 2 | 6 |
| Total number | 332 | 121 | 12 | 55 | 23 | 13 | 71 | 37 |

Number of deals by sector and country in Q1-Q3 2017. Annual total for 2017 at run rate is 443 deals > \$5m.

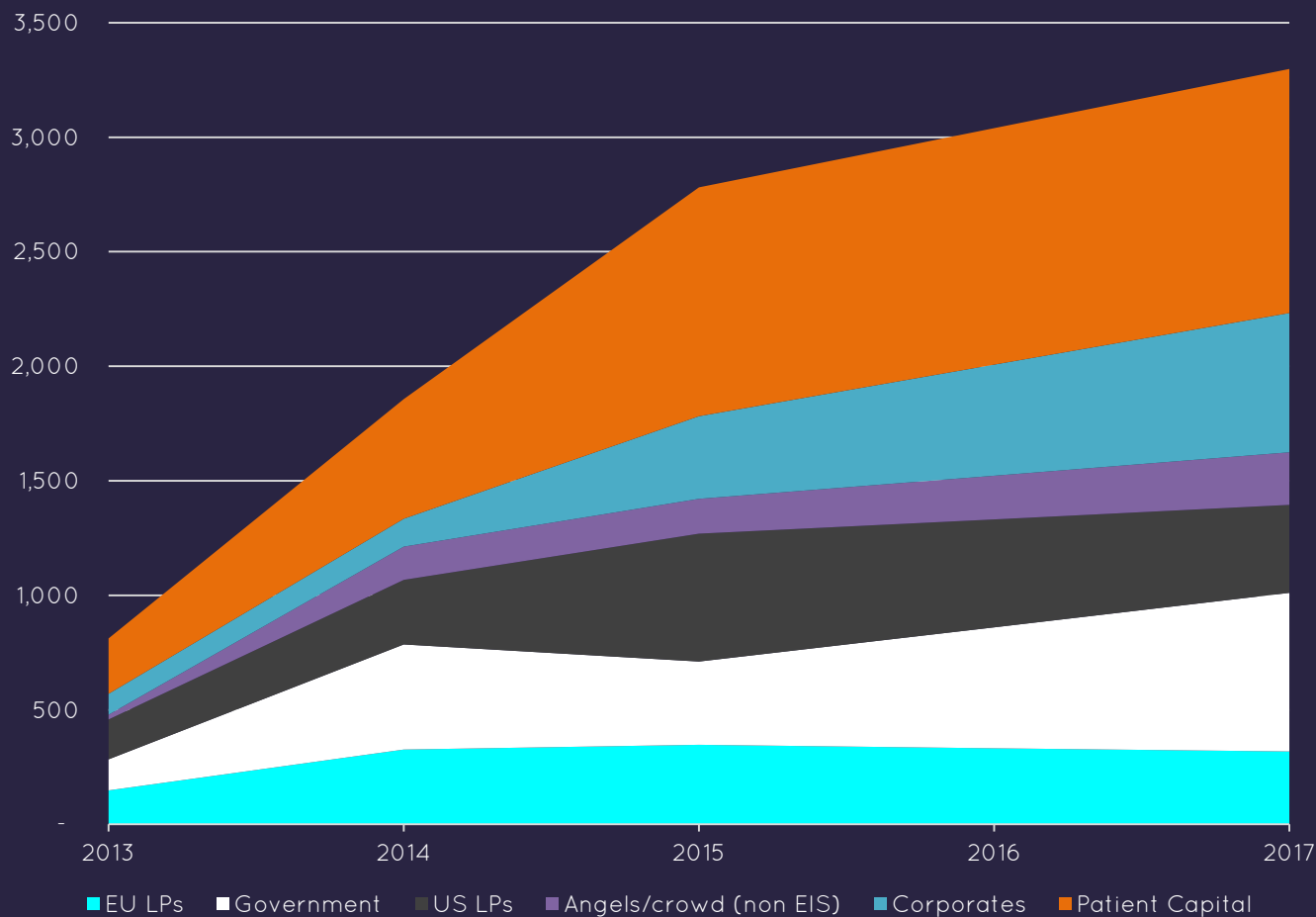
\$10m Series A is the old series B, \$25m Series B is the old C...

Globally, the market is maturing. Below shows the size in \$ of series A and B increasing.



Deal sizes represent total round amount, not contribution from individual investors. Data as of 26/09/2017

Who is funding UK tech?



Source: Draper Esprit analysis based on data from Venture Source & internal deal tracking database

Traditionally, this asset class has been for
private investors

Private vs public

| Private model | Public model |
|---|--|
| 5 + 5 year model: illiquid close end funds | Liquid fund structure |
| Blind pool investment approach | Invest in current portfolio. Core holdings represent 76% of NAV. |
| Capital returned to LPs after 10 + years | Capital from realised investments can be re-invested |