

Draper Esprit plc Investor Presentation

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Contents

- Company strategy
- Recent performance
- Portfolio update
- Appendix

Venture Capital, Re-Invented



Draper Esprit plc is a European Venture Capital Company. Long-term, globally networked capital for entrepreneurs.

Open to all investors through an evergreen listed vehicle and associated co-investment funds.

Company strategy



Experience has driven our success 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** p.a primary investments, with EIS/VCT target **~£40m** p.a co-invest
- Seed Fund investments up to **£15m** p.a (£75m over a five-year period)
- Ad hoc secondary portfolio deals eg **£18m** Seedcamp Fund I and II

From potential opportunity to exit



Three pillars of capital: AUM* > £570m (US\$770m)



PLC Parent

- Primary and secondary investing from listed balance sheet
- NAV of £311 million at year-end 31 March 2018
- 30+ direct investments
- Target investing approx. £60.0 million per annum

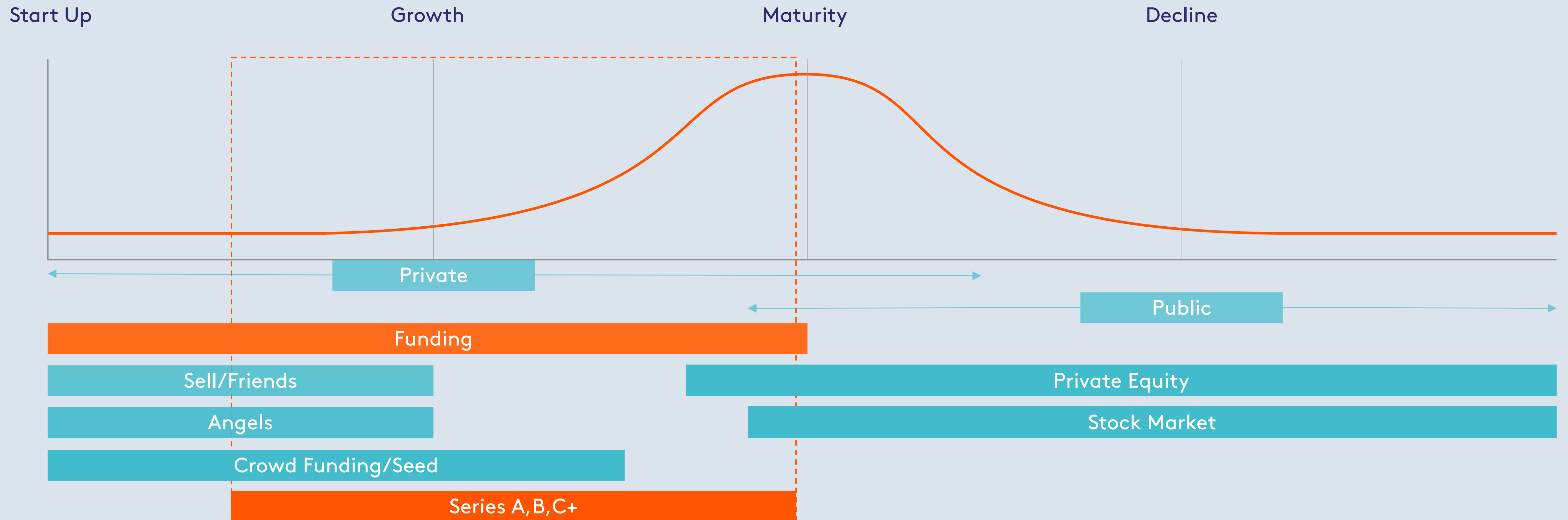
Tax efficient investing

- Co-invest in Plc deals
- Raising approx. £40.0 million per annum
- Fees to plc (~half costs covered)
- Increases network and dealflow sourcing

Portfolio acquisitions

- Acquire portfolio of assets at discount, same investment criteria as primary deals (3i, Seedcamp, Prelude, Top Tech)
- 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



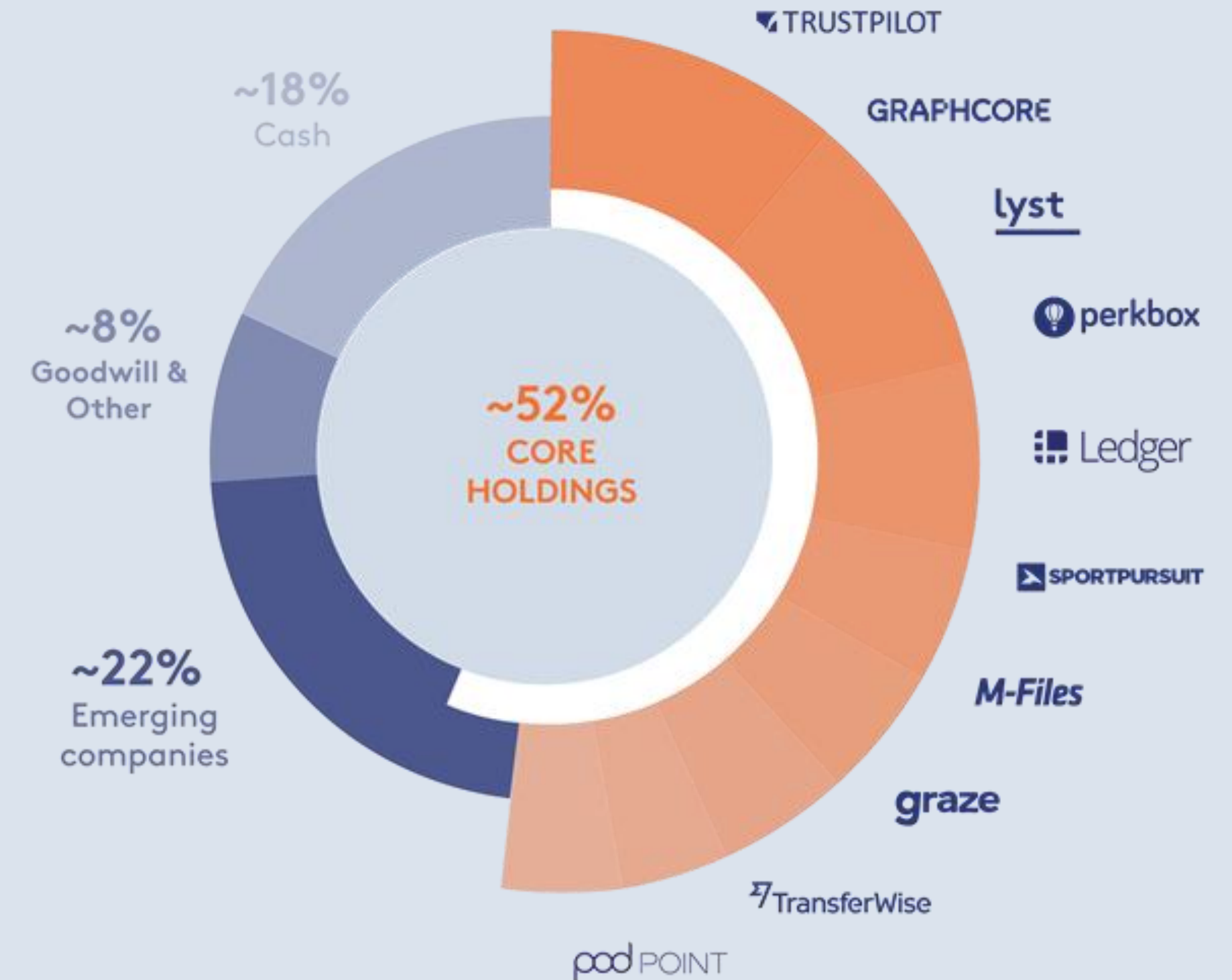
Source: Draper Esprit

The GROW share snapshot

Draper Esprit has opened VC to the public market

- Focus Portfolio Value on 70%+ main core holdings
- Minimise cash drag through off-balance sheet sources / later stage focus
- Limit risk in emerging – 70% of capital into Series B
- Strategically exit, add select major new core holdings each year – in line with balance sheet size

As a % of £311m NAV



NAV at 31 March 2018

Investing in a growing team

- Investment team of 17, total employees 23.
- Team bring a broad set of experience and skill set with a combination of VCs, entrepreneurs, bankers



Simon Cook
CEO



Stuart Chapman
COO



Ben Wilkinson
CFO



Ben Tompkins
Managing Partner



Jonathan Sibilias
Head of Secondaries / FOF



Nicola McClafferty
Investment Director



Vinoth Jayakumar
Investment Director



Philip O'Reilly
Principal



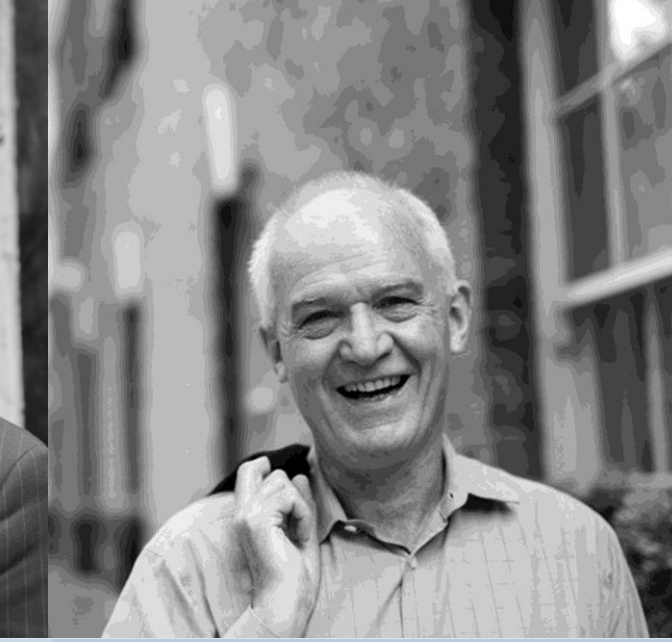
Diana Krantz
Associate



Eleonore Butler
Associate



Maxim Filippov
Associate



Alan Duncan
Venture Partner



Brian Caulfield
Venture Partner



Vishal Gulati
Venture Partner



Richard Marsh
Venture Partner



David Cummings
Venture Partner



Michael Jackson
Partner VCT



William Horlick
Partner VCT

Invest across four areas of digital technology

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
 	 	 	 
 	 	 	 
 	 	 	 
 		 	
 		 	

Seed fund of funds

- The Company intends to invest £75 million into Europe's top seed funds over a five-year period. £17 million to date.
- Announced investments in 7 of Europe's leading seed fund platforms including Episode 1, Seedcamp, Icebreaker, Join Capital. Further investments across Europe, including seed funds in Cambridge, Ireland and London.
- Draper Esprit is an investor 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.

icebreaker

Former backers of TransferWise

Episode1

Former backers of Zoopla

Seedcamp

Former backers of TransferWise

JOIN CAPITAL

Former backers of TransferWise

Additional commitments made to seed funds based in Cambridge, London and Ireland.

Secondary portfolio acquisition – Seedcamp Fund I and II

- Acquired Seedcamp Funds I and II for £17.9 million (€20 million).
- 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.
- Follows previous secondary acquisitions prior to IPO including: 3i, Prelude, Top technology, Cazenove



Europe's Largest VCs, 2017

Position in Europe by capital deployed



Pitchbook data as of 08/05/2018

Draper Esprit investment includes co-investment funds

Draper Network: Global companies need global networks

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



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.



Recent performance



Delivery in the public markets

June 2016

- IPO June 2016 with market cap of £120 million
- Portfolio of 24 companies
- Gross portfolio value of £79 million
- Investing ~£30 million p.a

Year to March 2017

- Market cap of £142 million
- Portfolio of 29 direct investments
- Gross portfolio value of £113 million.
- Fundraise of £100 million in May 2017 to scale investments to match opportunities
- Investing ~£60 million p.a

Year to March 2018

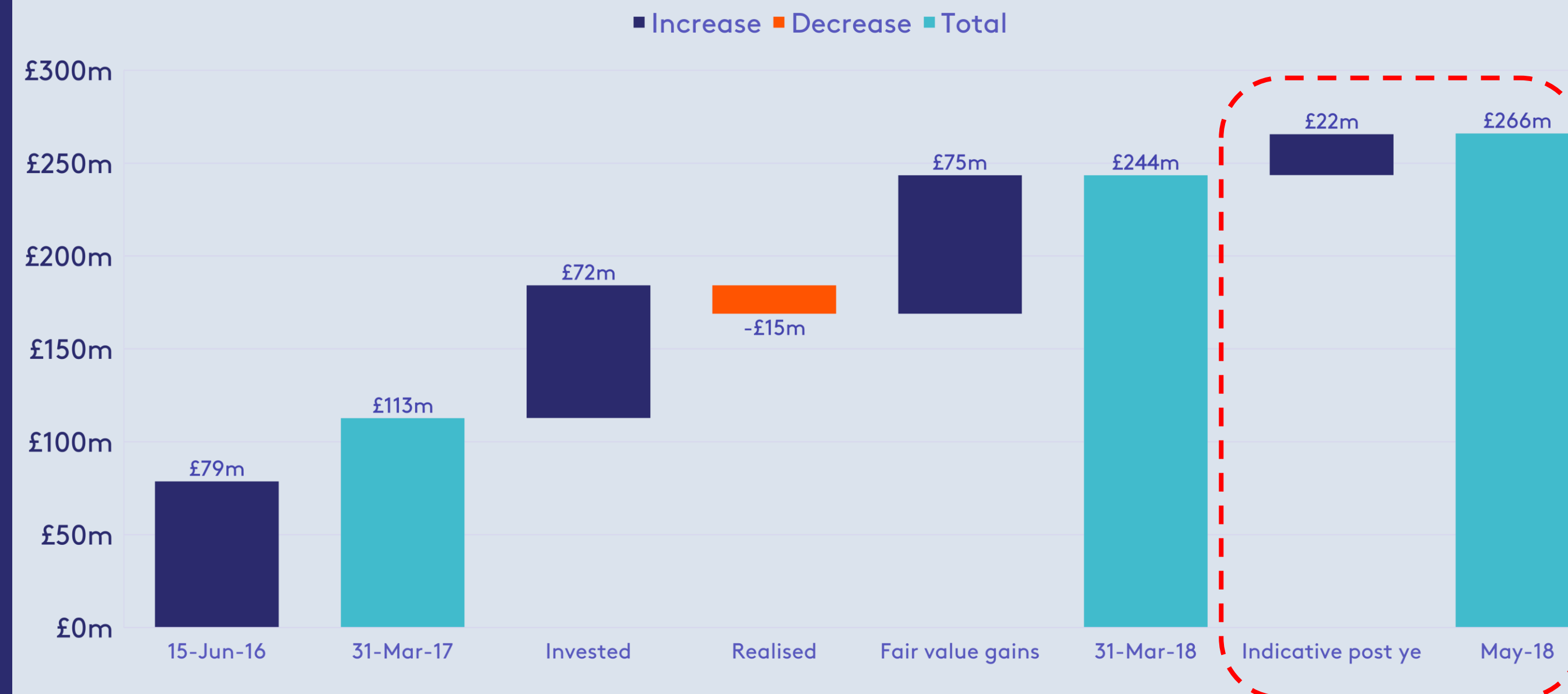
- Market cap of £330 million
- Portfolio of 33 direct investments
 - Additional investments in Seedcamp funds I and II.
- Gross portfolio value £244 million
- Investing ~£60 million p.a
- Launch of fund of funds strategy

Recent results — Delivery as listed company

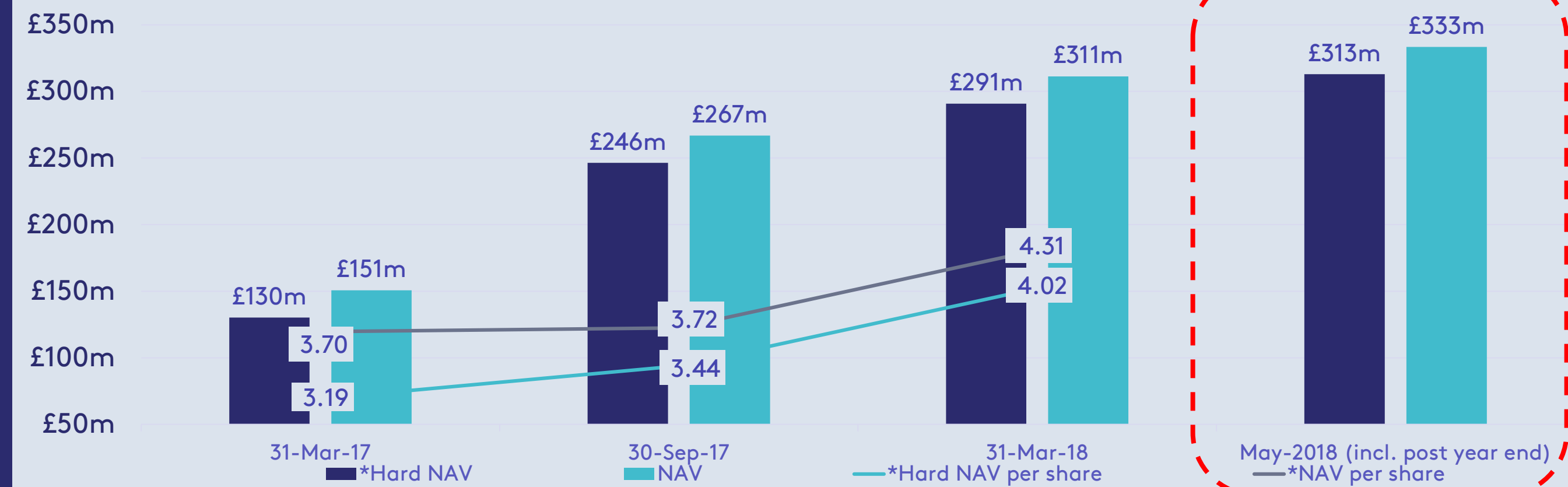
Financial Highlights to March 2018

- Gross primary portfolio value more than doubled in the FY2018 to £244 million from £113 million at year-end 31 March 2017
- Investments made during the year of £72 million (£27 million during the six months ended September 2017)
- Total fair value growth in the FY2018 represents a 116% increase in the Gross Primary Portfolio
- Fair value growth driven by: i) revenue growth in portfolio, ii) financing achieved at higher valuations and iii) secondary purchases at discount to fair value

Gross primary portfolio



NAV progression



*post year end includes investments in Revolut, Aircall and Ravenpack
Source: Draper Esprit financial statements

Track record

- Historical track record of over 20% over 9 years*
- Over 125 deals since 2006
- Over \$5bn value of exits since 2010
- Target 20% returns

* Aggregate portfolio return since 2008 of the Company

Realisations post IPO



Invest - year	Divest - year	Amounts Invested	Cash Return	Exit Multiples
Return above 2x:				
2015	2018	£1.4m	£11.5m	8.3x
2013	2016	£3.6m	£27.4m	7.6x
2013	2018	£0.4m	£3.0m	7.1x
2010	2017	£1.1m	£2.9m	2.6x
Return 0.1-2x:				
2016	2017	£8.1m	£15.3m	1.9x
2011	2016	£4.1m	£8.0m	1.9x
2012	2016	£2.2m	£3.6m	1.6x
2012	2017	£1.2m	£0.5m	0.4x
2011	2017	£1.9m	£0.2m	0.1x
No Return:				
2012	2016	£4.3m	£0.0m	0.0x

** EIS only

Core Assets

High Growth

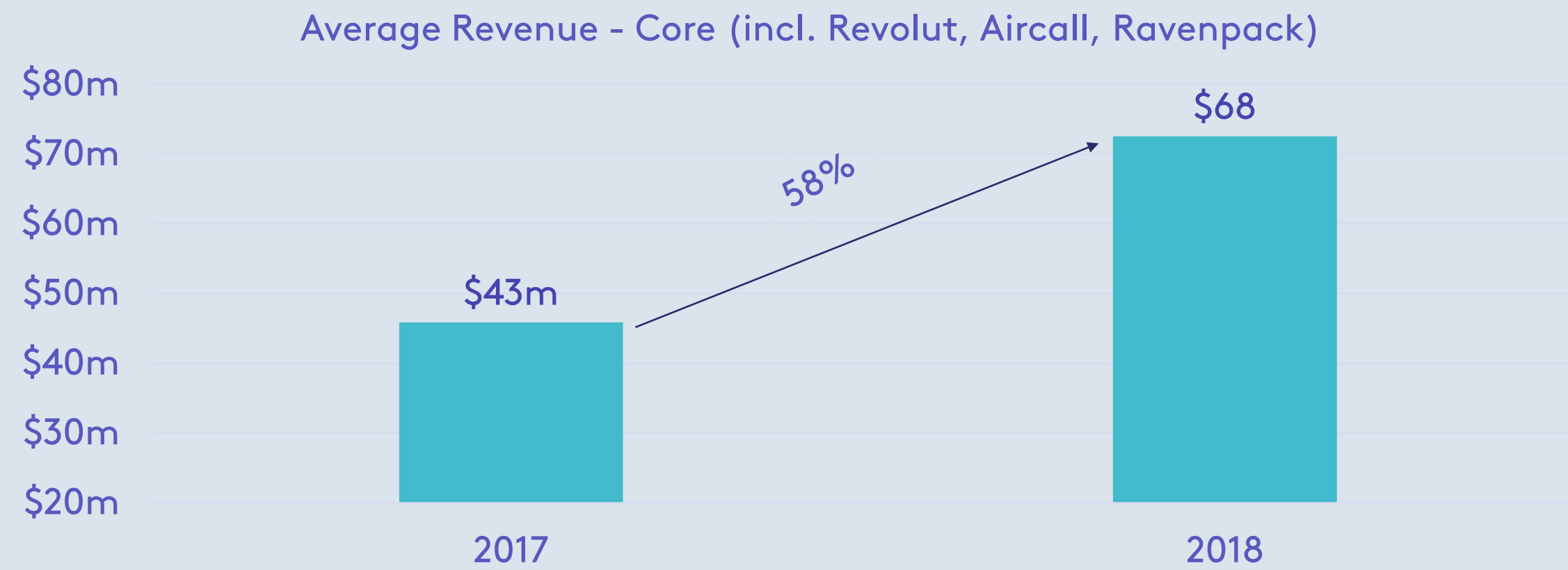
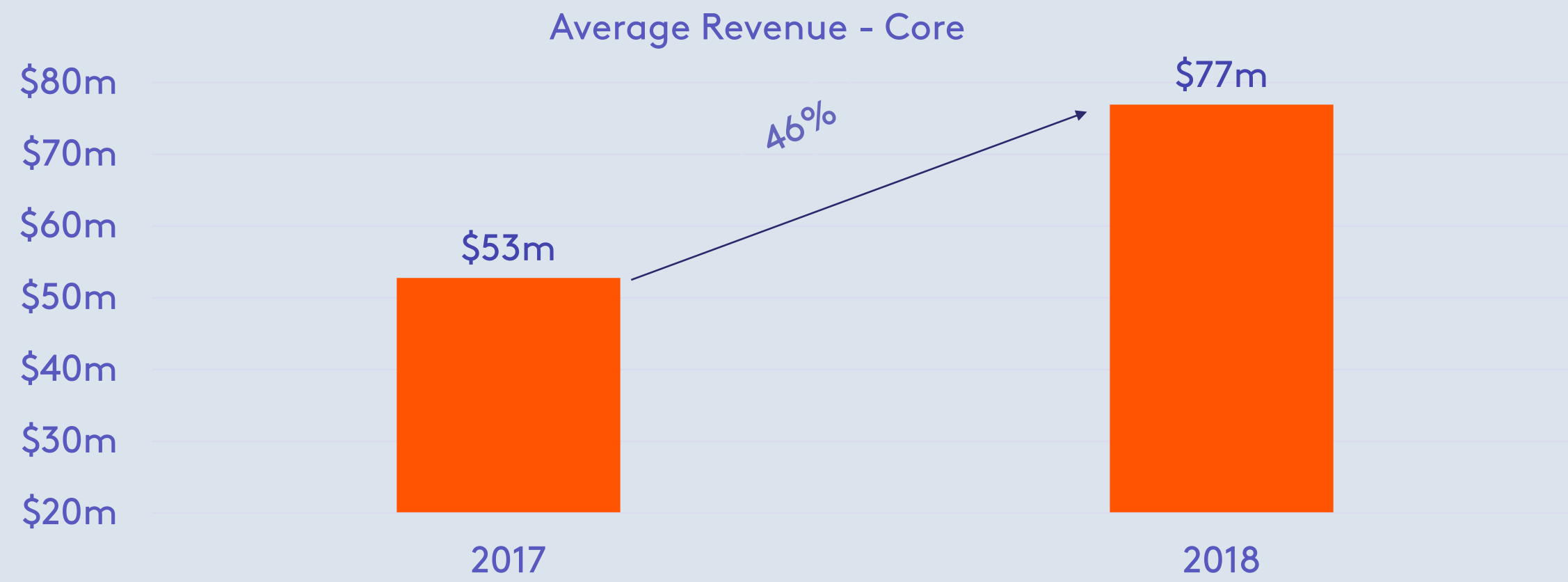
- Core represents 70% of Gross Portfolio Value (c.82% including Revolut, Aircall and Ravenpack)
- Core – 10 co's with total value £171m (£17m average NAV), with Revolut, Aircall and Ravenpack this rises to ~£199m+ (~£15m average)
- 10% average equity holding in Core cos
- 65% average gross profit margin

Core Portfolio Growth



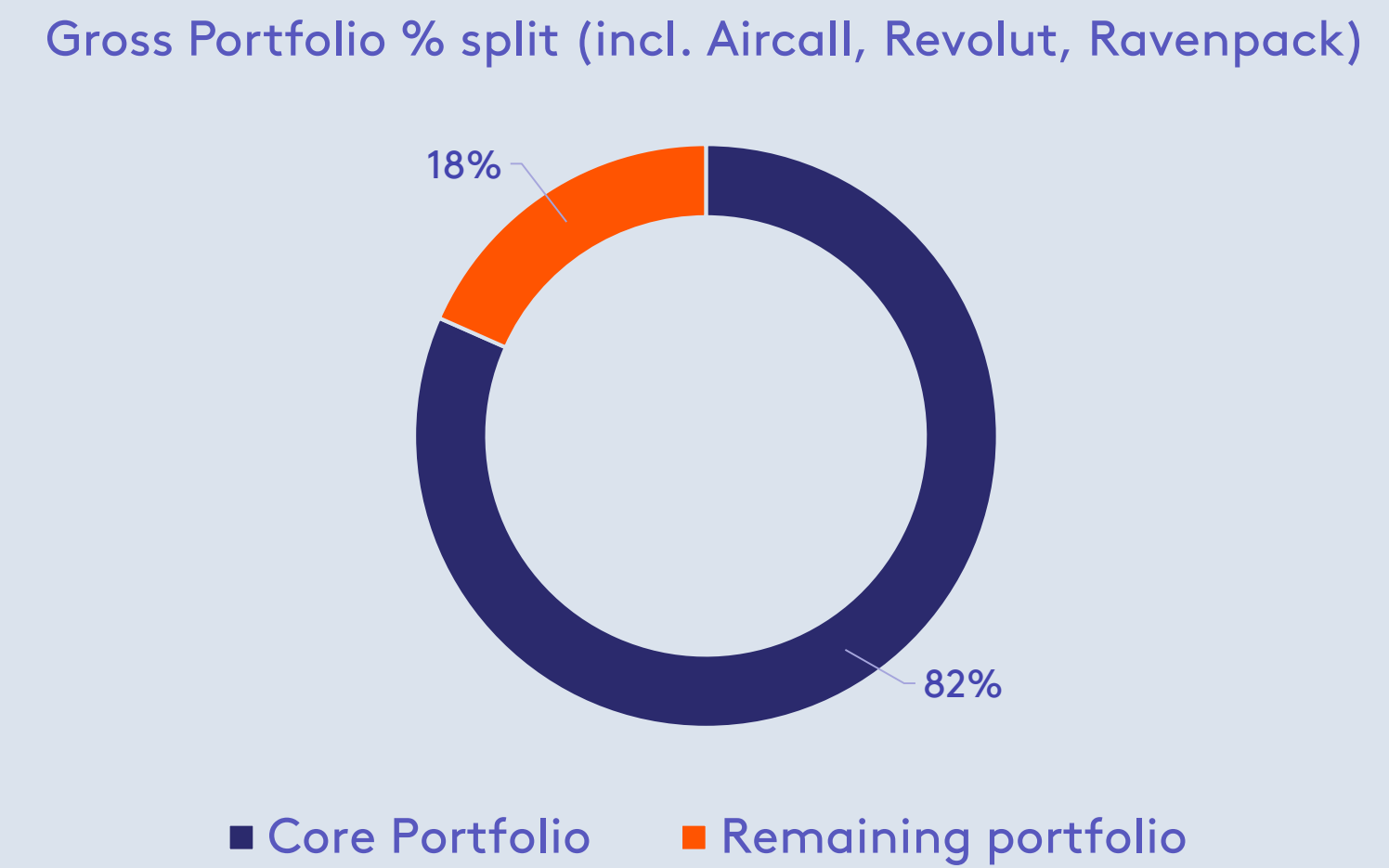
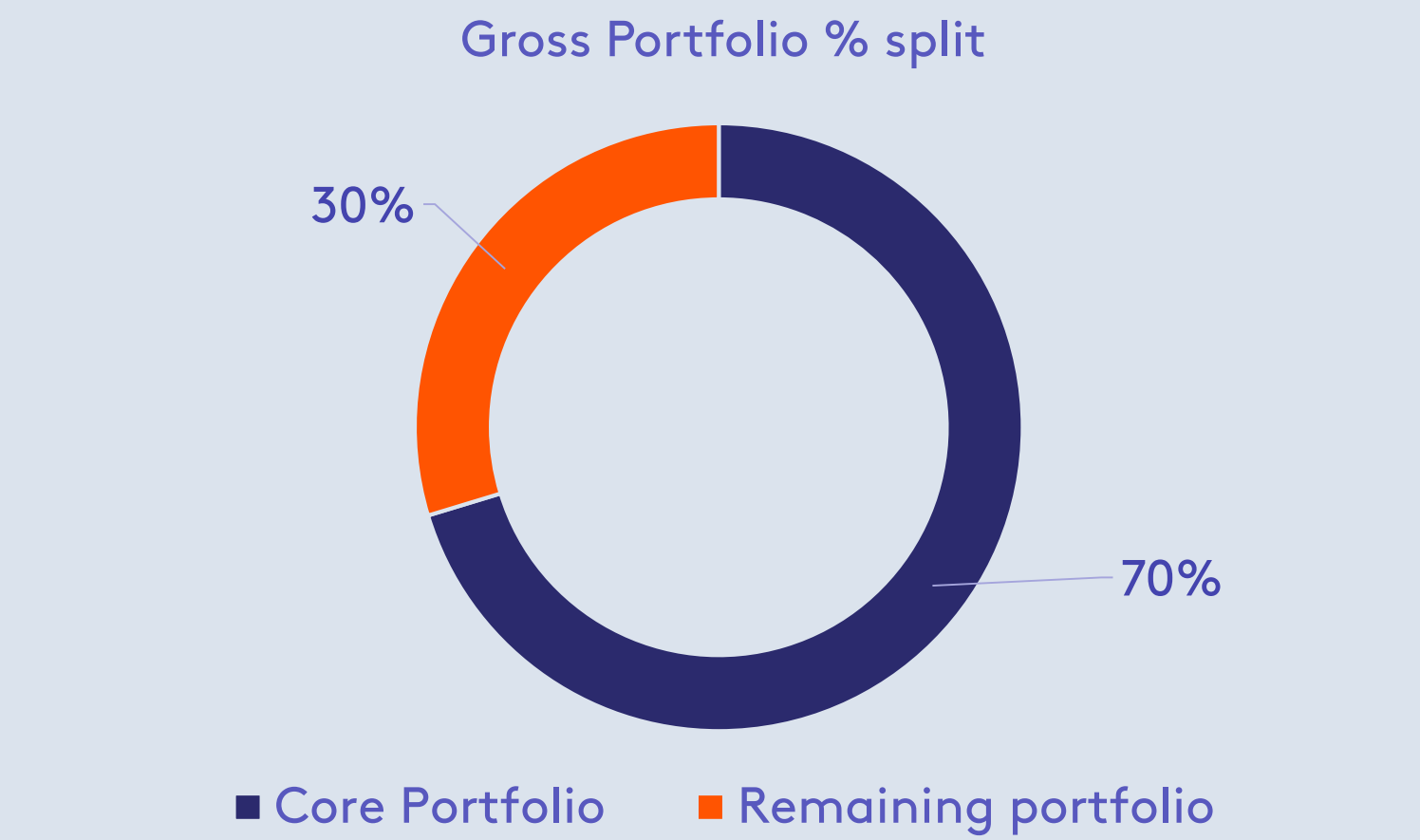
Source: Draper Esprit, unaudited

Average Revenue — Core



Source: Draper Esprit, unaudited

Core Portfolio %















Source: Draper Esprit, unaudited

Portfolio update



Selected investments – since FY 2017

Core		Emerging			
 GRAPHCORE	£1.8 million invested by plc	 PUSH DOCTOR	£7.0 million invested by Group (£3.5m plc)		
 Ledger	£17.7 million invested by plc	New	 VERVE	£6.0 million invested by Group (£3.0m plc)	New
 perkbox	£6.6 million invested by plc		 ieso digital health	£7.5 million invested by Group (£3.8m plc)	New
 pod POINT	£4.0 million invested by Group (£2.0m plc)		 PremFina	£3.5 million invested by Group (£1.8m plc)	New
 TRUSTPILOT	£6.7 million invested by plc		 Seedcamp	£17.9 million acquisition including TransferWise	New
 TransferWise	Through Seedcamp acquisition	New	 evonetix	£3.7 million invested by Group (£1.8m plc)	New
 Revolut	£9.0 million invested by plc	New	 Droplet Computing®	£1.5 million invested by Group (£0.8m plc)	New
 aircall	£10.0 million invested by plc	New	 kaptivo	£1.5 million invested by Group (£0.8m plc)	New

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:
£18.1 million

Current NAV:
£34.3 million



graze

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 Sainsburys

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



Ledger

Ledger is a cryptocurrency and blockchain security company. Already profitable, has sold over a million of cryptocurrency hardware wallets to customers in 165 countries.

Products are underpinned by a unique OS designed to run on any secure hardware and support any cryptocurrency. This OS enables security for wider blockchain applications and will eventually accelerate adoption in a wide variety of industries, from the internet of things to driverless cars.

Cash invested:
£17.7 million

NAV at cost:
£17.7 million



pod POINT

Pod Point, the electric charge point supplier, received £3.4 million for new shares and £2.0 million for secondaries from plc and a further £2 million from the Group in the financial year.

Pod Point is a leading player in the UK's electric vehicle sector, having manufactured and sold over 27,000 charging points since it was founded in 2009. The market for electric vehicles is going from strength to strength, driven by advances in technology, infrastructure developments and cost efficiencies..

Cash invested:
£5.4 million

Current NAV:
£9.9 million

Key portfolio companies underpin NAV growth



lyst

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.

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:
£18.3 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:
£13.4 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:
£14.4 million



perkbox

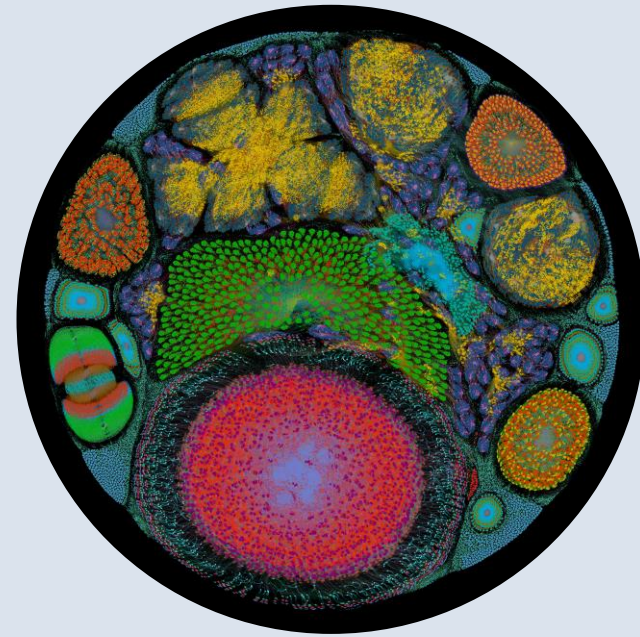
Perkbox provides a platform that enables companies of all sizes (from large corporates to small start-ups) to incentivise, motivate and attract staff through over 200 perks and benefits, including a sophisticated rewards and recognition infrastructure.

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

Cash invested:
£8.3 million

Current NAV:
£17.5 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:
£23.4 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 Käärman, 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.

Through
Seedcamp acqn

Current NAV:
£12.2 million

Post period end: key portfolio companies



RavenPack is the leading big data analytics provider for financial services. Financial professionals rely on RavenPack for its speed and accuracy in analyzing large amounts of unstructured content.

The company's products allow clients to enhance returns, reduce risk and increase efficiency by systematically incorporating the effects of public information in their models or workflows. RavenPack's clients include the most successful hedge funds, banks, and asset managers in the world.

Cash invested: £5.8 million	Current NAV: £9.0 million
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Draper Esprit's investment in Revolut is part of their latest Series C funding round, which sees Revolut valued at \$1.7 billion, taking their total funds raised to \$340 million since launch in 2015. The round was led by Hong Kong based DST Global.

Revolut, one of the fastest growing tech companies in Europe, was founded in 2015 by Nikolay Storonsky and employs over 350 people, providing alternative digital banking services direct to customers. It functions like a digital bank, allowing users to transfer money across different currencies without transaction fees.

Cash invested: £9.0 million	Current NAV: at cost
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Draper Esprit lead a series B funding round of \$29 million in May 2018. Other investors included Balderton Capital, NextWorld Capital and Newfund.

Aircall, a software company now used by thousands of businesses, provides teams with a phone system which requires no hardware and which seamlessly integrates with a variety of business applications.

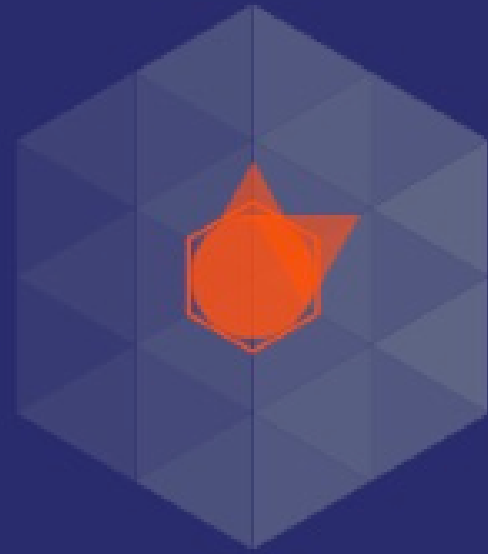
Funds used to accelerate the buildout of its cloud-based phone system, including seamless integrations into all the software tools used by businesses.

Cash invested: £10.0 million	Current NAV: at cost
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Appendix



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.

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 ~\$127bn.

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

Number of deals by size in the USA each year



Number of deals by size in Europe each year

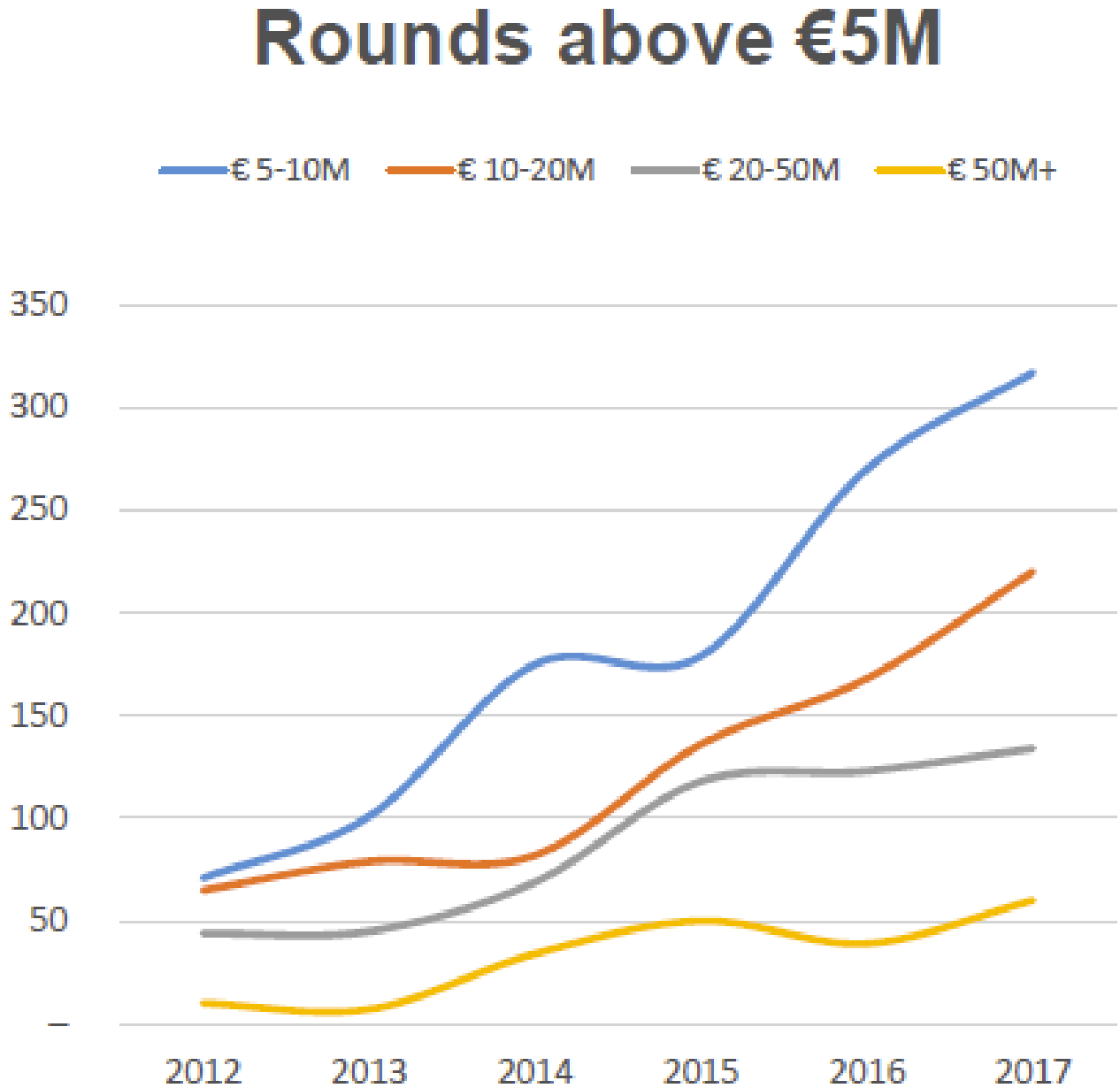
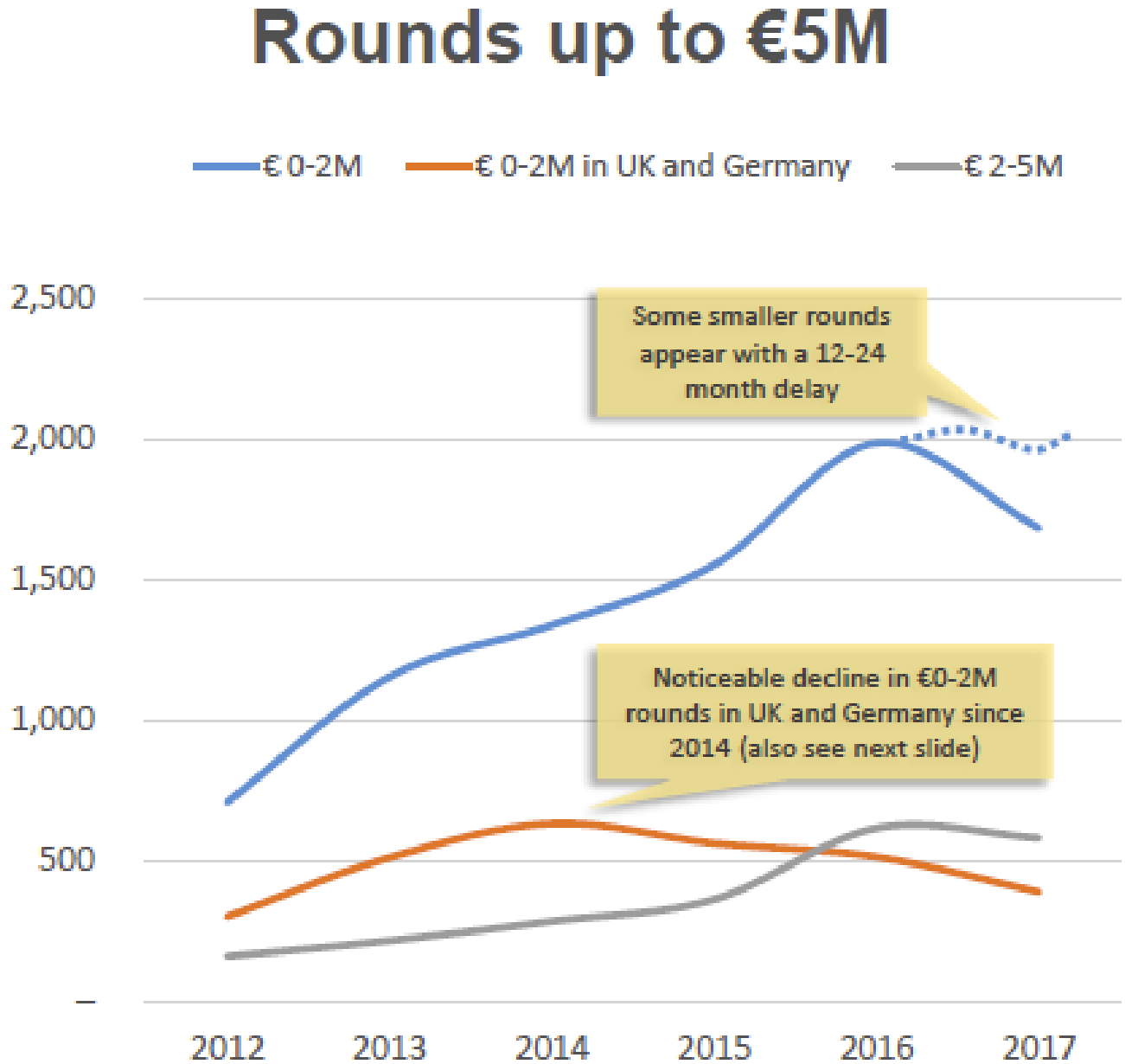


- USA is a mature \$40bn VC market – growth is in \$30bn “pre-IPO”
- Only 43% of European start ups now go on to do a growth round, compared to 85% of start-ups in the US.
- Europe 500 - 1,000 growth deals behind but catching up: UK 25% of this so 250-500 growth companies @ \$20m = \$5bn (£3bn) UK gap

Data source: VentureSource, Pitchbook, Draper Esprit own dealflow data

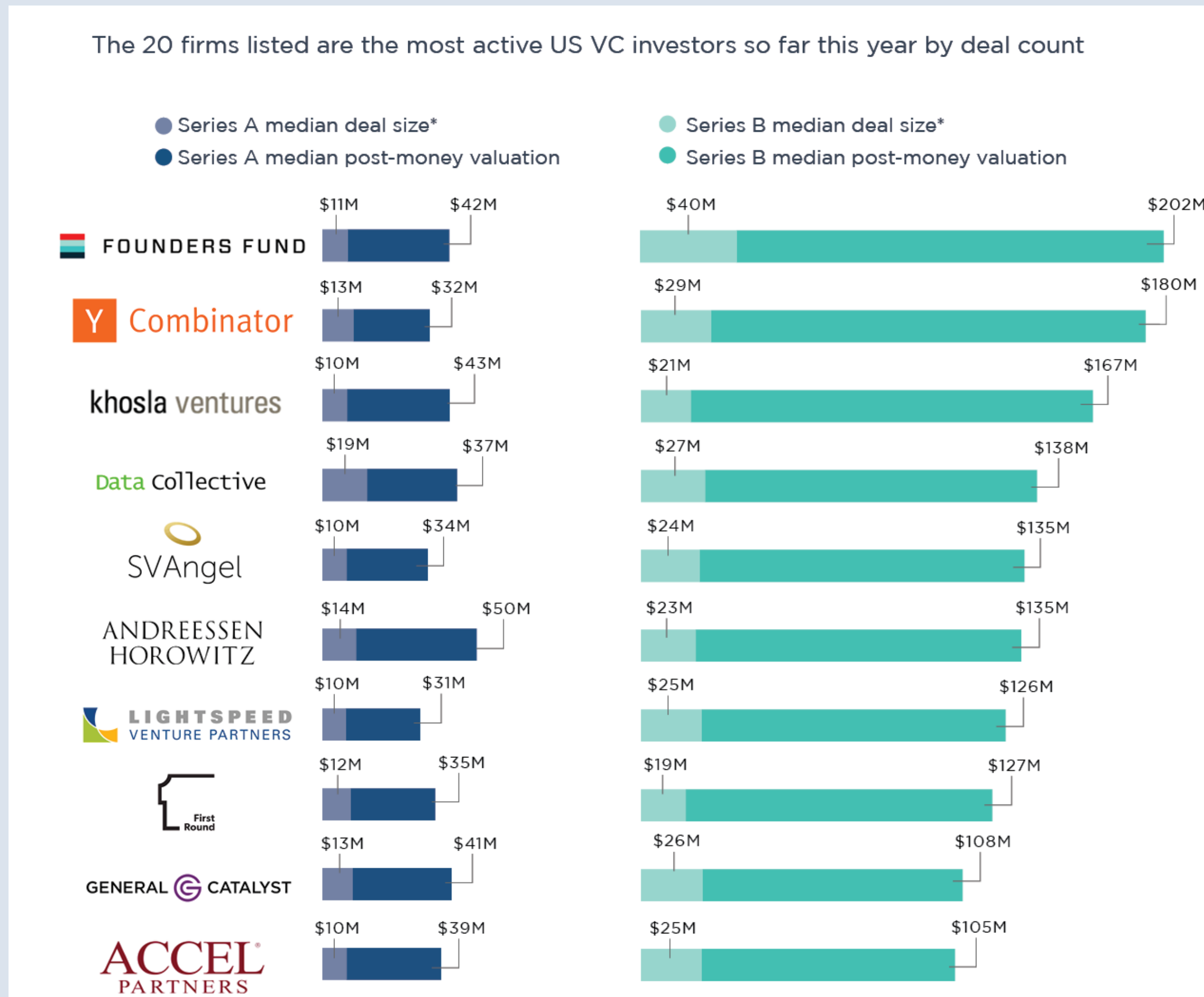
European venture capital market

Number of rounds below €5 million stabilising, growth is driven by larger rounds



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

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



Source: Pitchbook 26/9/17

“Global median deal size rose for every deal stage in 2017, with the median deal size of angel and seed deals rising to \$1 million from \$800,000, early stage deals rising to \$5 million from \$3.7 million, and later stage deals rising to \$10.8 million from \$9.5 million.”
KPMG, Venture Pulse 2017

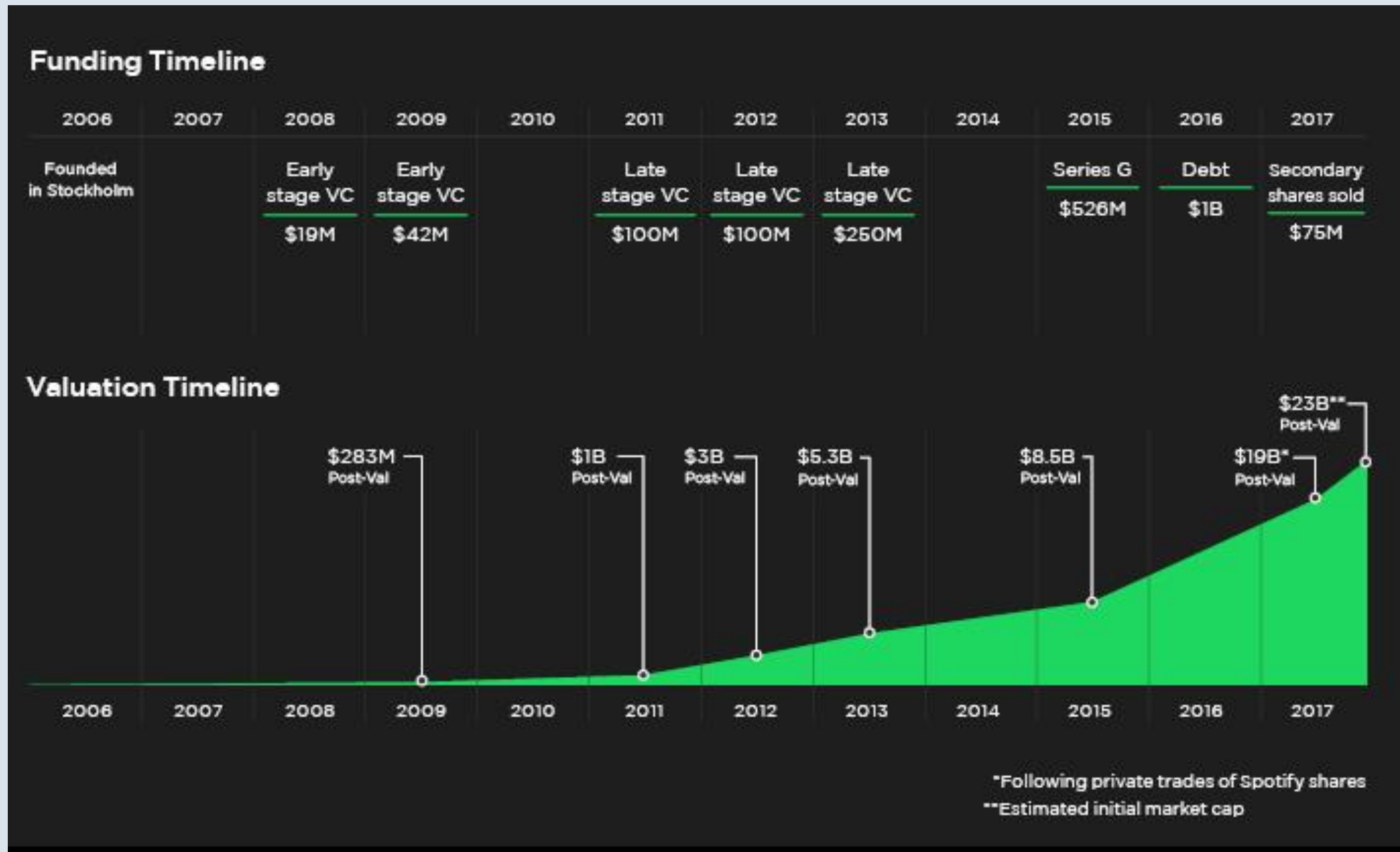
See source [here](#).

Traditionally, this asset has been for private investors

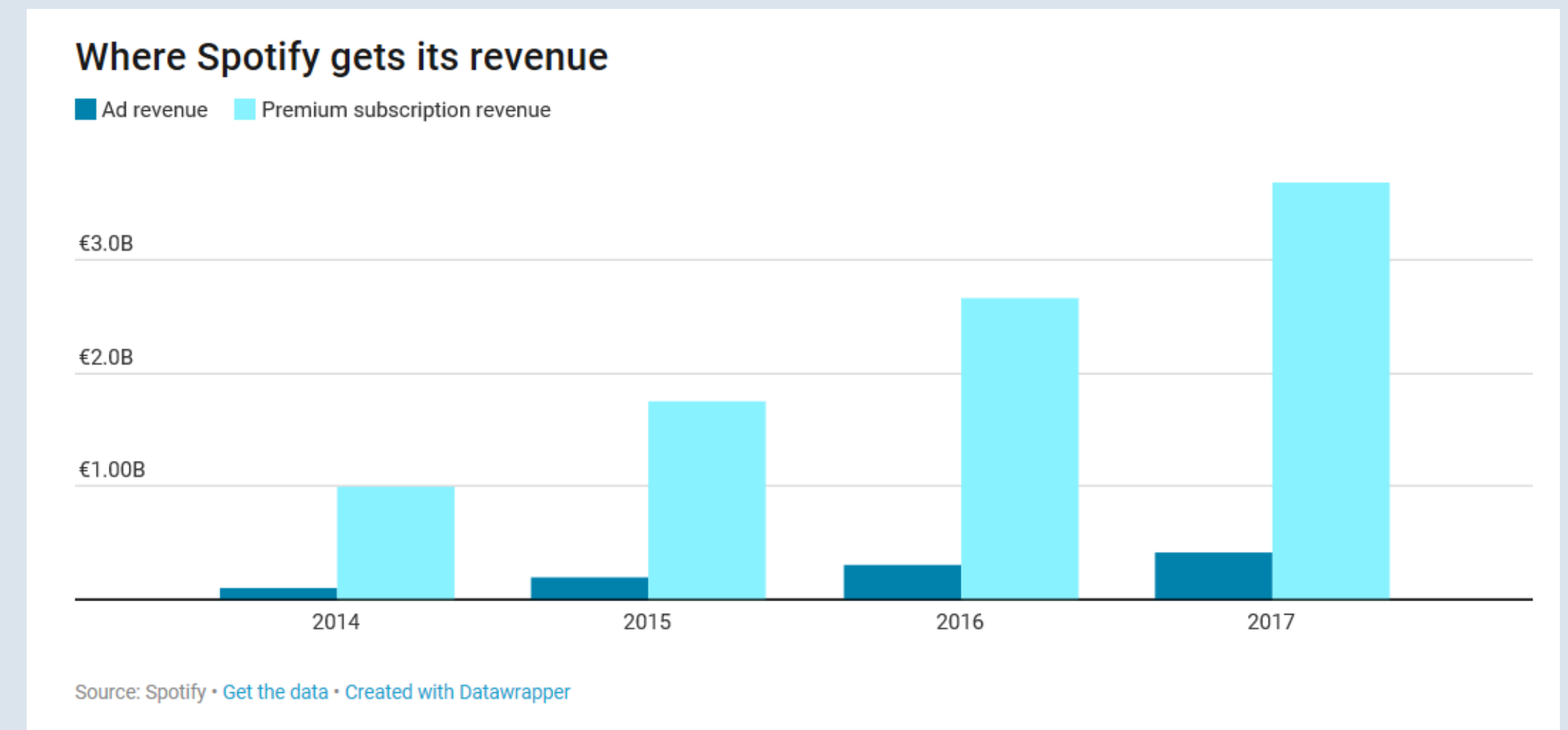
Private model	Public model
5 + 5 year model: illiquid close end funds	Liquid fund structure
Blind pool investment approach	Invest in current portfolio. Core holdings represent 76% of NAV.
Capital returned to LPs after 10 + years	Capital from realised investments can be re-invested

Spotify, a case in point

Access to capital led to accelerated growth and valuation



Data source: Pitchbook, see source file [here](#).



Data source: Spotify, via www.recode.net

Thank you

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