

# Forward thinking capital.

## Forward Partners Group PLC

2022 INTERIM RESULTS PRESENTATION







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# A quick introduction.

Your team for today.



**Nic Brisbourne**

**Founder + CEO**

Career VC  
Over 20 years in Venture Capital  
Ex-Partner at Draper Esprit  
Ex-Reuters Ventures.



**Lloyd Smith**

**CFO**

Former CFO at ATI Global  
Background at EY and PwC  
working with a mix of private  
equity firms, AIM-listed businesses,  
banks and other privately held  
companies.



**Luke Smith**

**Investment Partner**

Leads Forward Ventures  
Ex-investor and consultant at REV  
Venture partners and Oliver  
Wyman.





# We're Forward Partners.

We give investors access to the fastest-growing startup ecosystem in Europe. Since 2013, Forward has been investing in the UK's most promising high-growth, early-stage technology businesses.



## Forward Ventures

We invest £200k-£2m in VC funding from day zero through to Series A and beyond, focusing on applied AI, marketplaces and Web3.



## Forward Studio

We help founders build stronger businesses and grow faster through specialist support — ultimately aiming to provide better outcomes for companies and investors alike.







# Results: valuation decline but portfolio remains strong.

Ventures Portfolio  
Value

**£94.9m** ↓ £28.0m\*

Venture Portfolio  
Value growth\*

**-23.9%**

Average YoY portfolio company  
revenue growth for H1.22\*\*

**107%**

Net Asset Value per share

**85 pence** ↓ 19p

Venture investments

**£6.3m**

Cash realisations

**£0.5m**

Net assets

**£114.8m** ↓ £24.8m

Available cash

**£22.6m** ↓ £8.5m

Cash per share

**17 pence**

*Figures for December 31st 2021 - June 30th 2022. Comparatives for the full year at December 31 2021 unless otherwise stated.*

*\* Exclusive of new investments. \*\* For Top 15 at 31/12/21, weighted by Fair Value. Please see notes in the appendix for further information.*





# Highlights: a strong and growing portfolio.

Through this period, we've continued to see our portfolio investments increase their pace of development, strength of their businesses and their potential for great outcomes.

Good levels of fundraising.

## 14 raises

across our portfolio 12 of which Forward followed on.

## 8 of our Top 15

raised within the period. Notable rounds at Spoke, Robin AI and Gravity Sketch.

Portfolio strength increases.

## 80%

of our Top 15 hold strong economics - and are either profitable, anticipated to be on the path to break even without the need for further fundraising, or hold 18 months or more cash runway.

## 48

active companies in our growing, diversified portfolio. We added two more high-potential investments this half in Baseline and Sonrai.

Shots on goal delivering promise.

## 40-60%

average revenue growth forecast for our Top 15 portfolio investments, weighted by Fair Value.

## A new cohort

Our next wave of shots on goal are surfacing within the portfolio. These early stage companies are building product, traction and companies like OutThink have raised strong rounds.







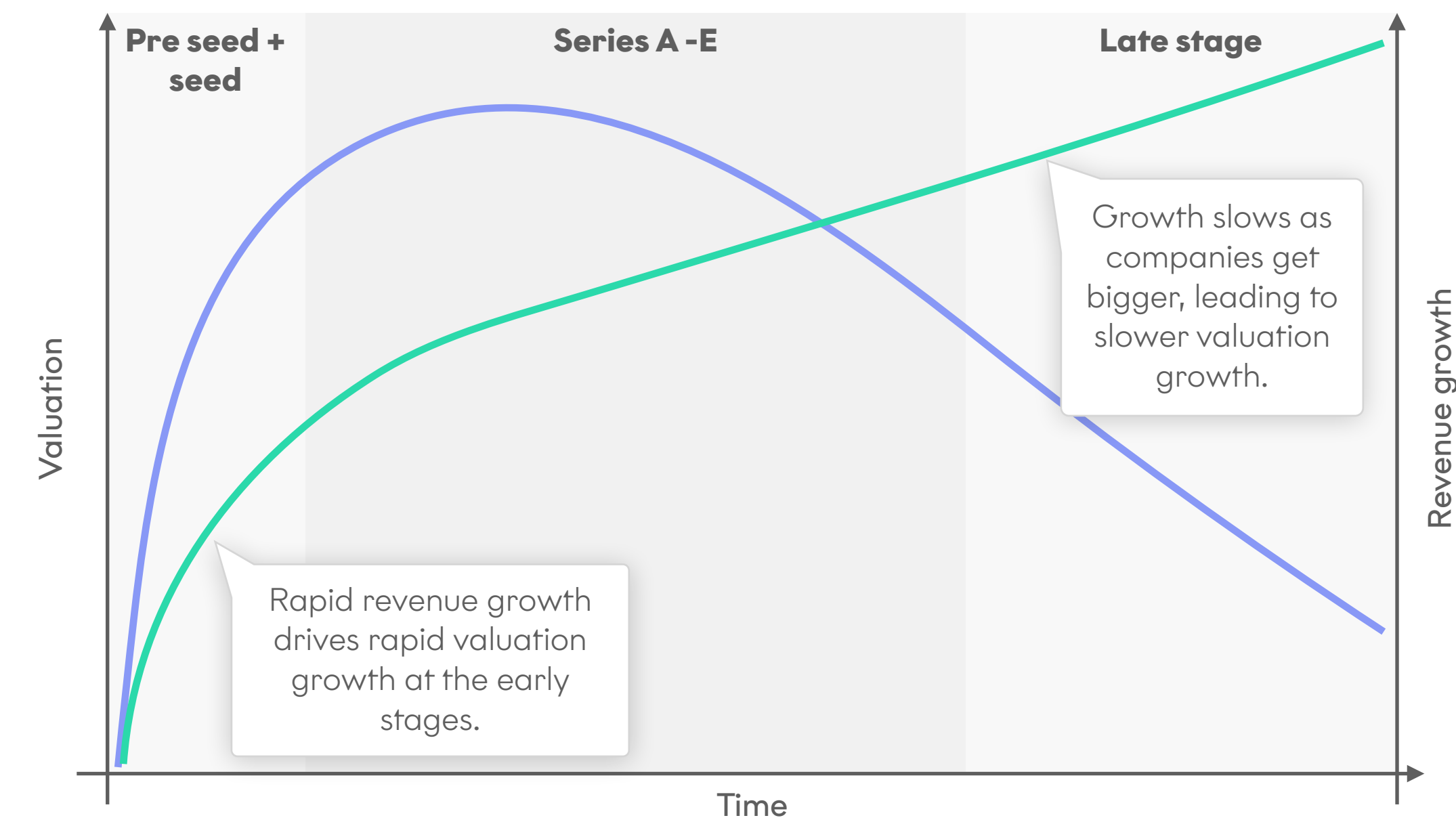
# The case for early stage investment: fast growth & strong valuations.

Early-stage investment continues to present opportunity.

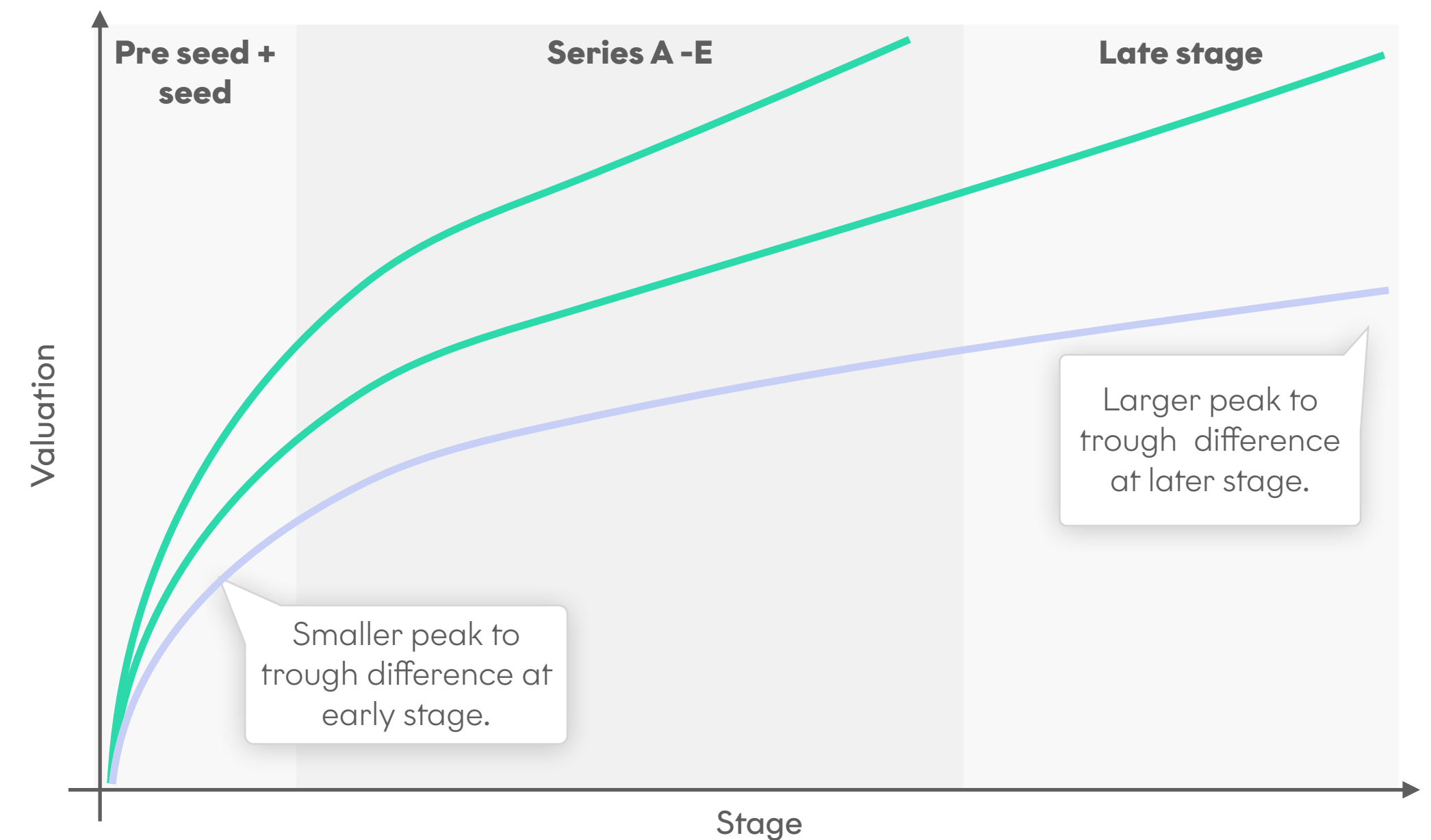
*Startup valuations are typically driven by the market and revenue growth. At the early stage, there are great deals to be had for those who know how, particularly in a down market.*

Valuations typically hold better at the early stage.

*Round sizes held up in Q2 and were particularly strong at Series A. Later stage valuations increased to a much greater extent last year - as a result we have seen larger corrections in at this stage.*



→ Rate of revenue growth      → Valuation



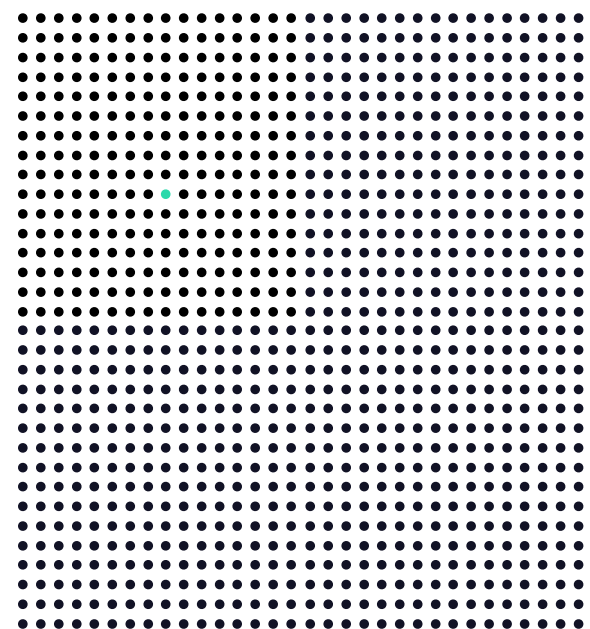
→ Valuation at top of market e.g. 2000, 2009, 2021      → Valuation median      → Valuation at bottom of market e.g. 2018, 2023



# How we invest: from thousands of opportunities to a small pool of winners.

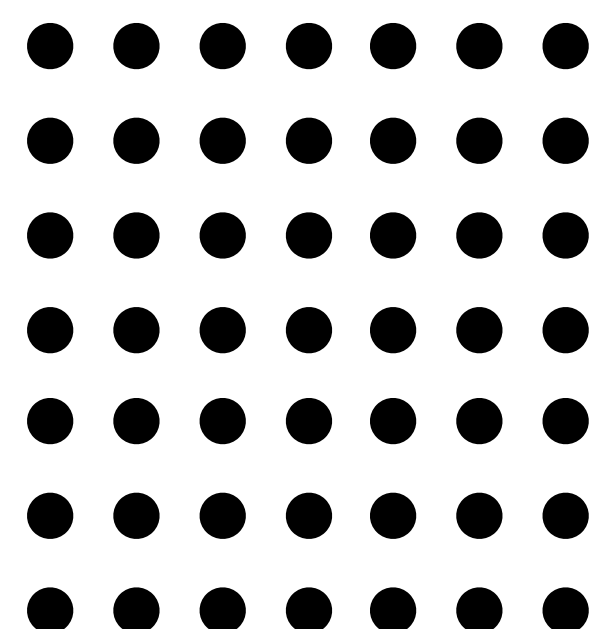
## Dealflow

1. Build a strong pipeline.



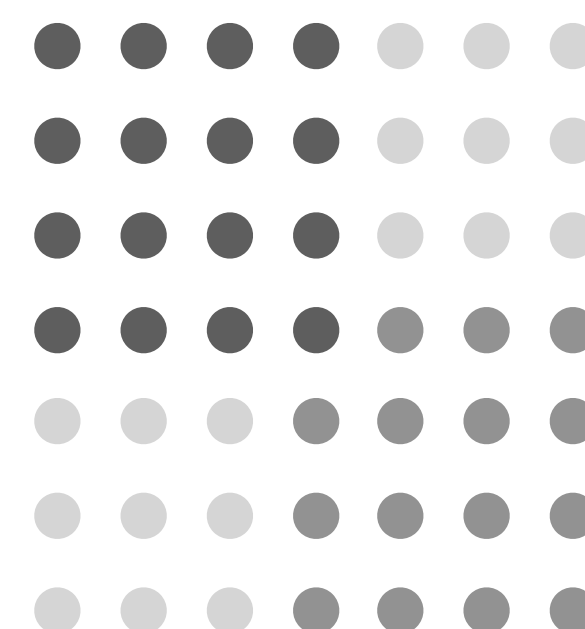
## Deals

2. Make small bets + good deals.



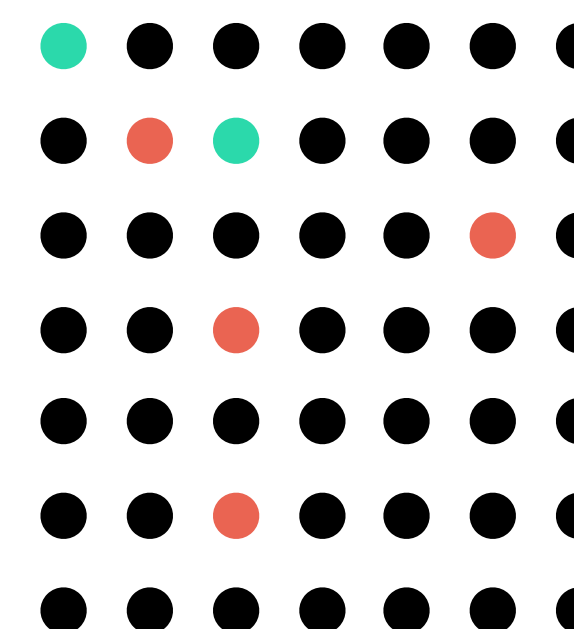
## Portfolio

3. Curate a diverse portfolio.



## Outcomes

4. A few winners for great returns.



Our strong proprietary deal flow generates over 4000 opportunities per year.

We invest in just 0.1-0.2% of our deal flow, and aim to make 4 - 8 new investments of £¼ - £2m per year.

Our conviction-driven portfolio is diversified across three key operating models deemed to hold big exit potential.

Forward's portfolio has been constructed to balance risk and upside potential.\*

\*A well-constructed portfolio of this size should see at least 1 unicorn according to AngelList benchmarks.





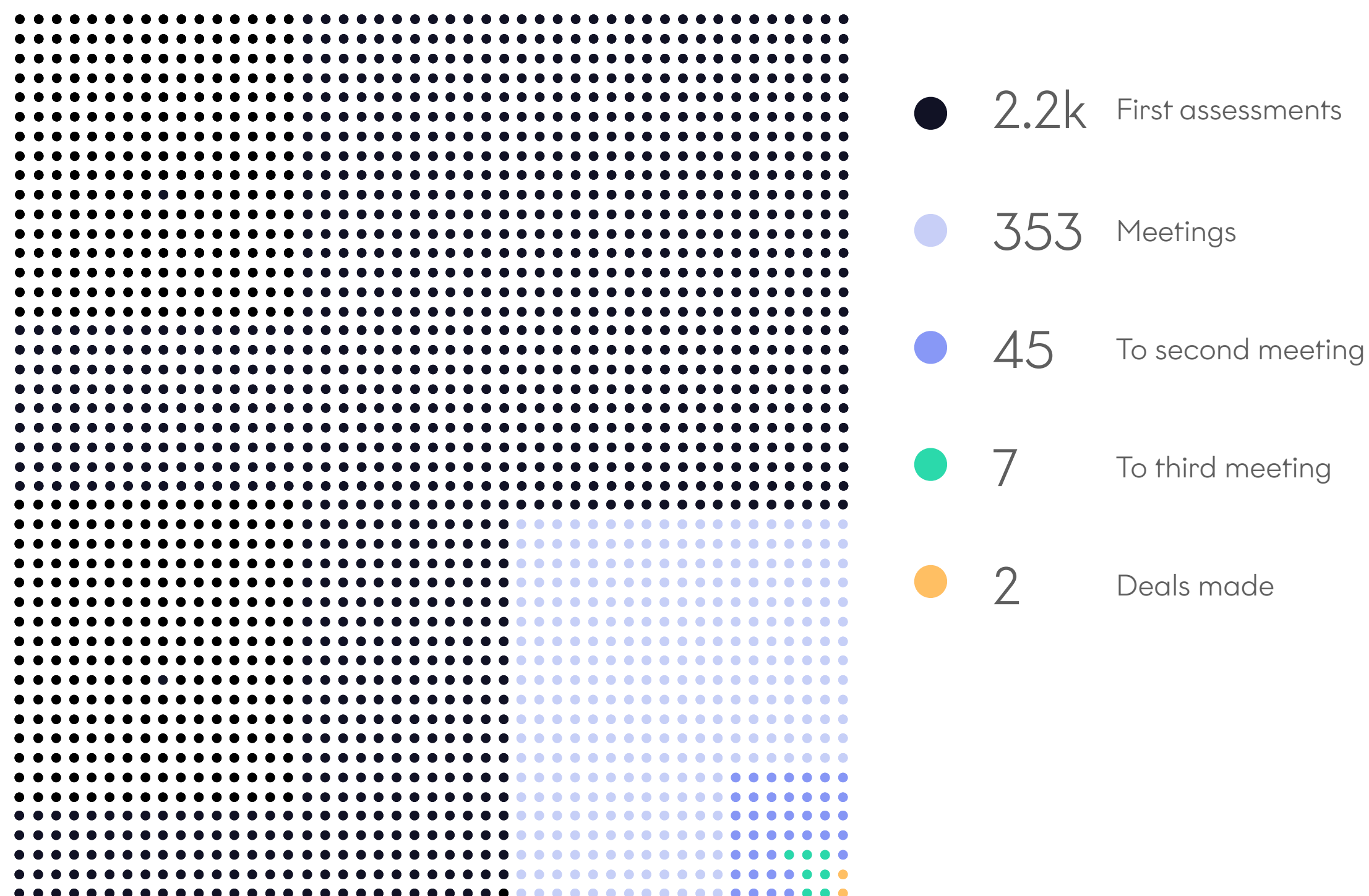
# This period: strong deal flow - good deals are still out there.

## Dealflow

### 1. Strong deal volume and quality.

*A higher volume of applications - but crucially higher deal quality too.*

## Deal pipeline

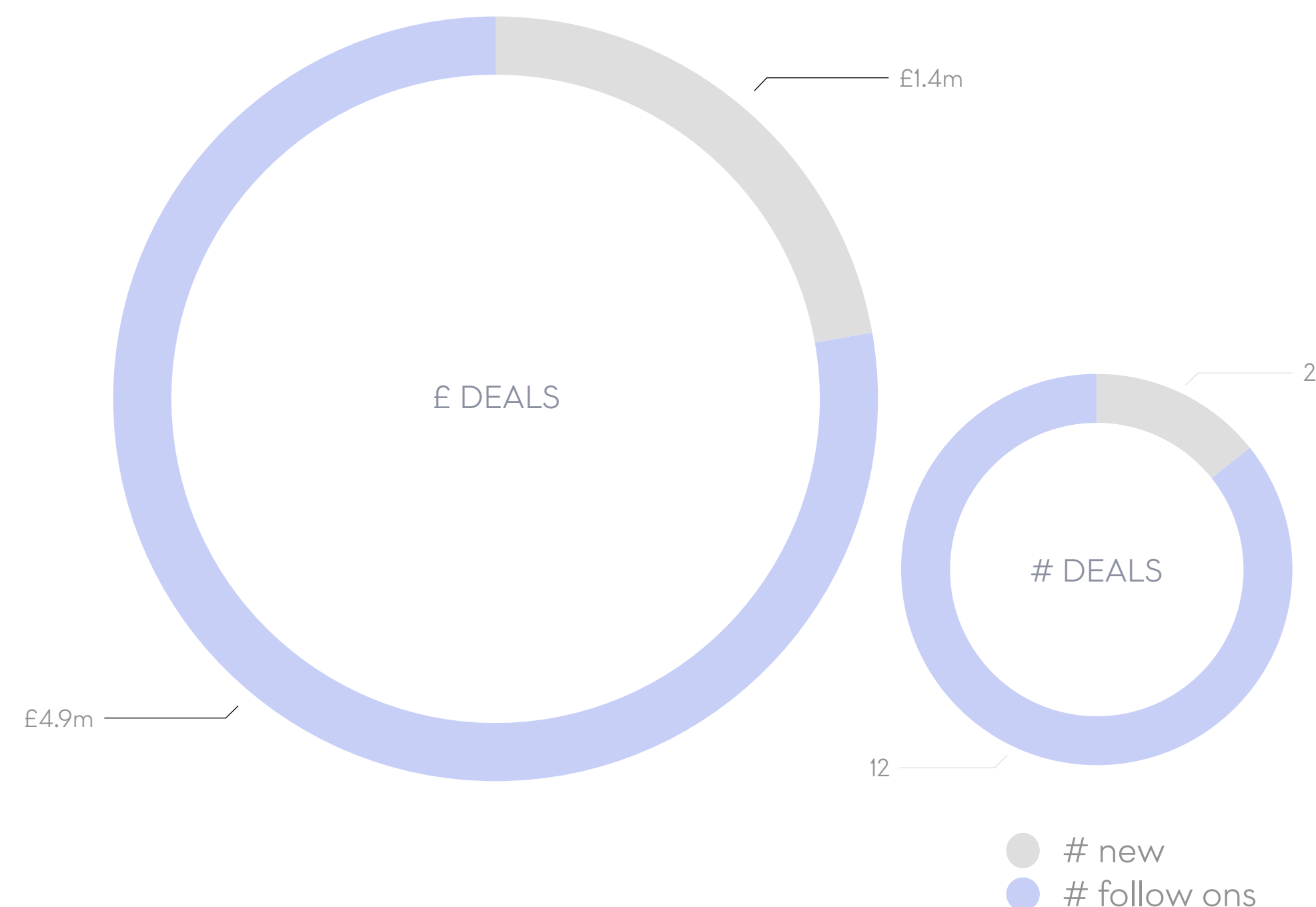


## Deals

### 2. 14 new investments.

*Forward Ventures invested a total of £6.3m into new companies and portfolio companies we know and trust.*

## Investment split







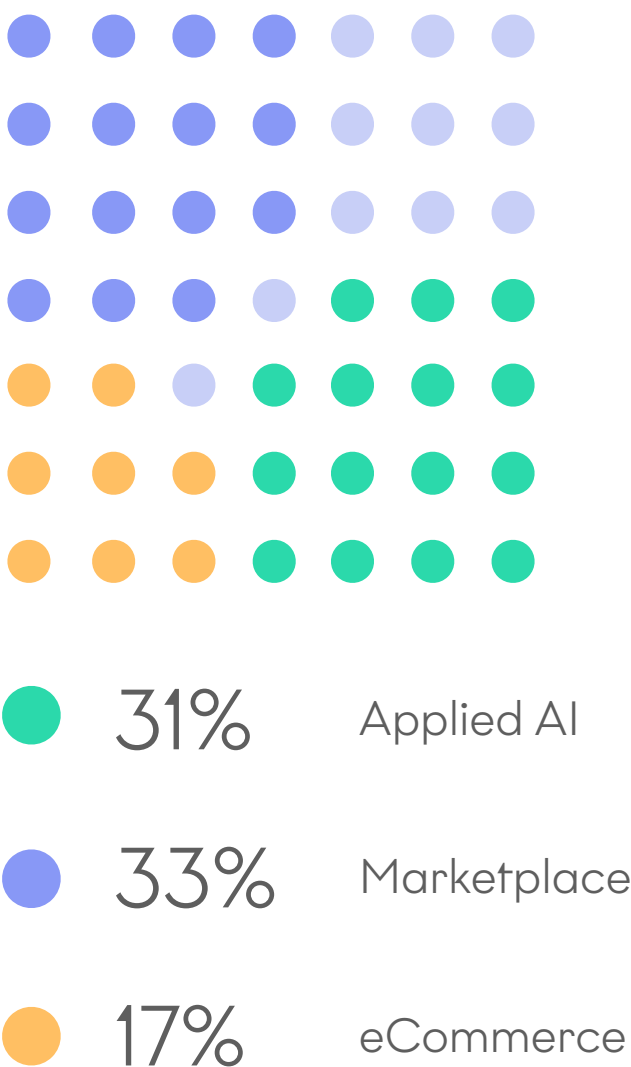
# This period: Our portfolio continues to grow.

## Portfolio

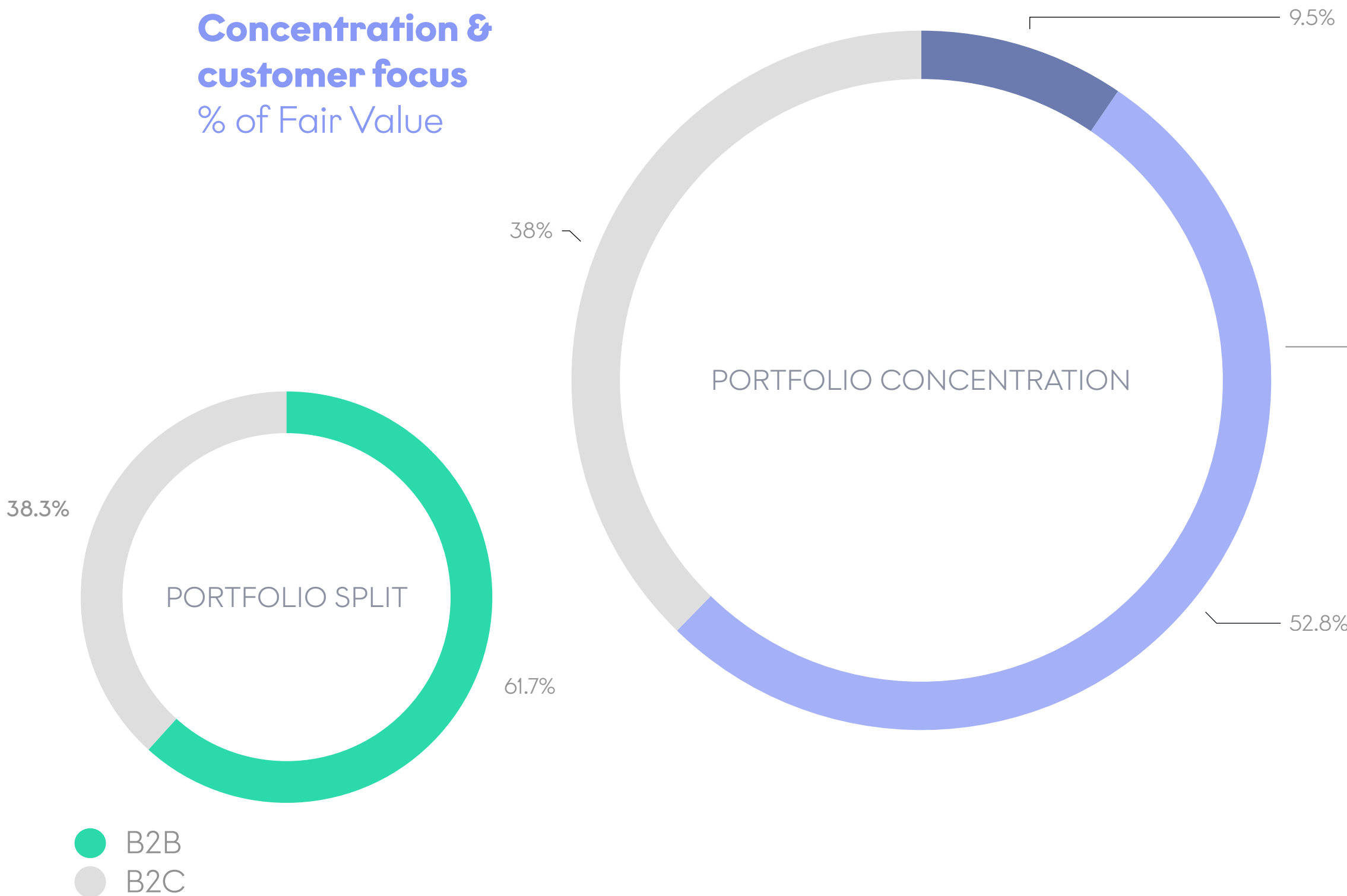
3. We continue to build a large and diverse portfolio.

*At 30 June 2022, Venture's portfolio comprised 48 active companies.*

### Operating model split # companies



### Concentration & customer focus % of Fair Value



## Outcomes

4. Our Top 15 continues to demonstrate strength.

*We've worked closely with portfolio over the last half to ensure that our core businesses hold strong balance sheets and fundamentals.*

### Shots on goal



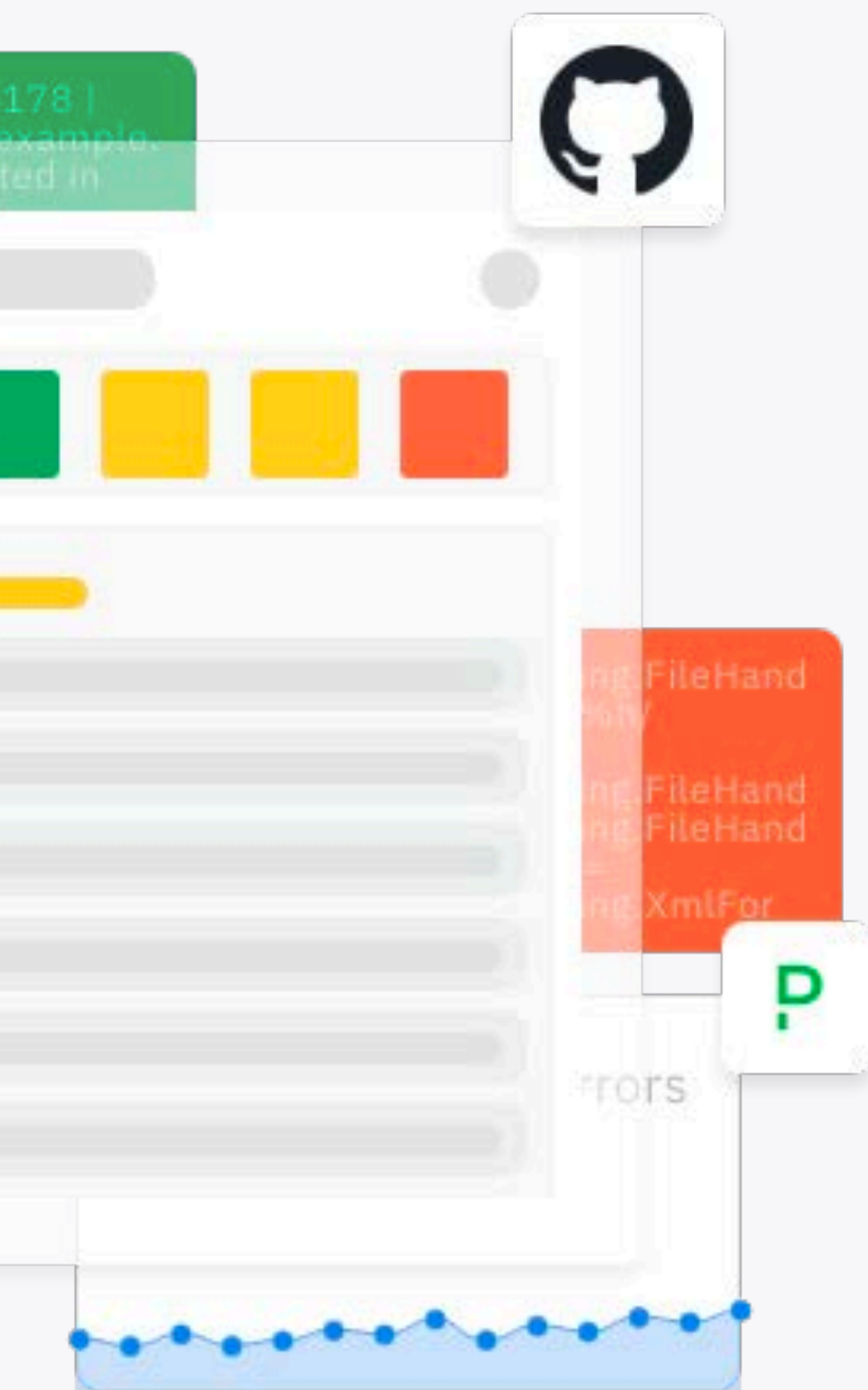
- Most valuable company
- Top 14
- Rest of portfolio

\* Total companies.





# Our latest investments: powering innovations in serverless development and drug discovery.



## baseline

In this period, Forward invested £0.4m into Baseline as part of the company's £1.5m round, led by Arc, Sequoia's catalyst for outlier founders.

Baseline is developing the tools that companies need to confidently adopt 'serverless' technology. Its technology offers greater scalability, high flexibility, and faster releases at a reduced cost.

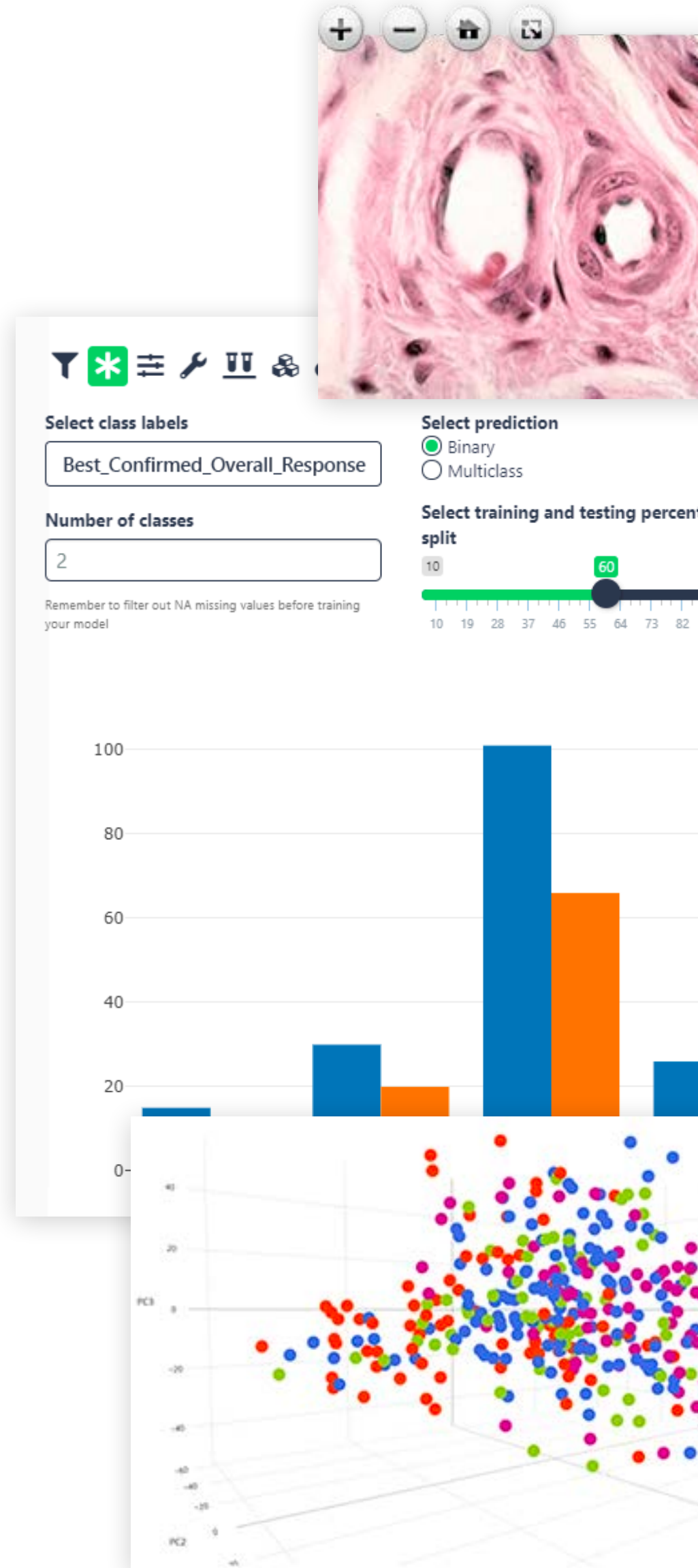
Visit Forward's [website](#) for a video introduction featuring Baseline's founder Boris Tane.

## SONRAI ANALYTICS

Forward also invested £1.0m into Sonrai, as part of the company's £2.2m round, alongside Techstart Ventures.

Sonrai is an analytics platform that leverages AI to speed up drug and healthcare developments. The company has successfully placed its platform with key healthcare businesses across the EU and the US, counting Roche and the NHS among its partners.

Visit Forward's [website](#) for an introductory Q&A with Sonrai's co-founder Darragh McArt.



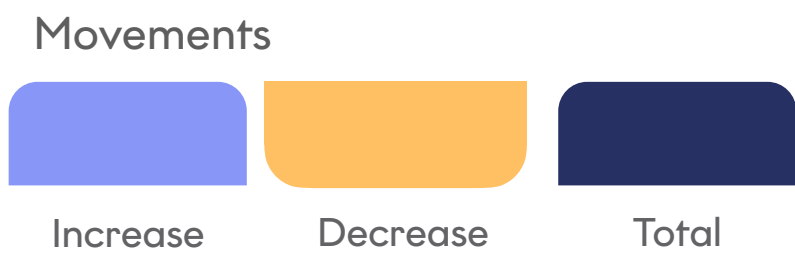
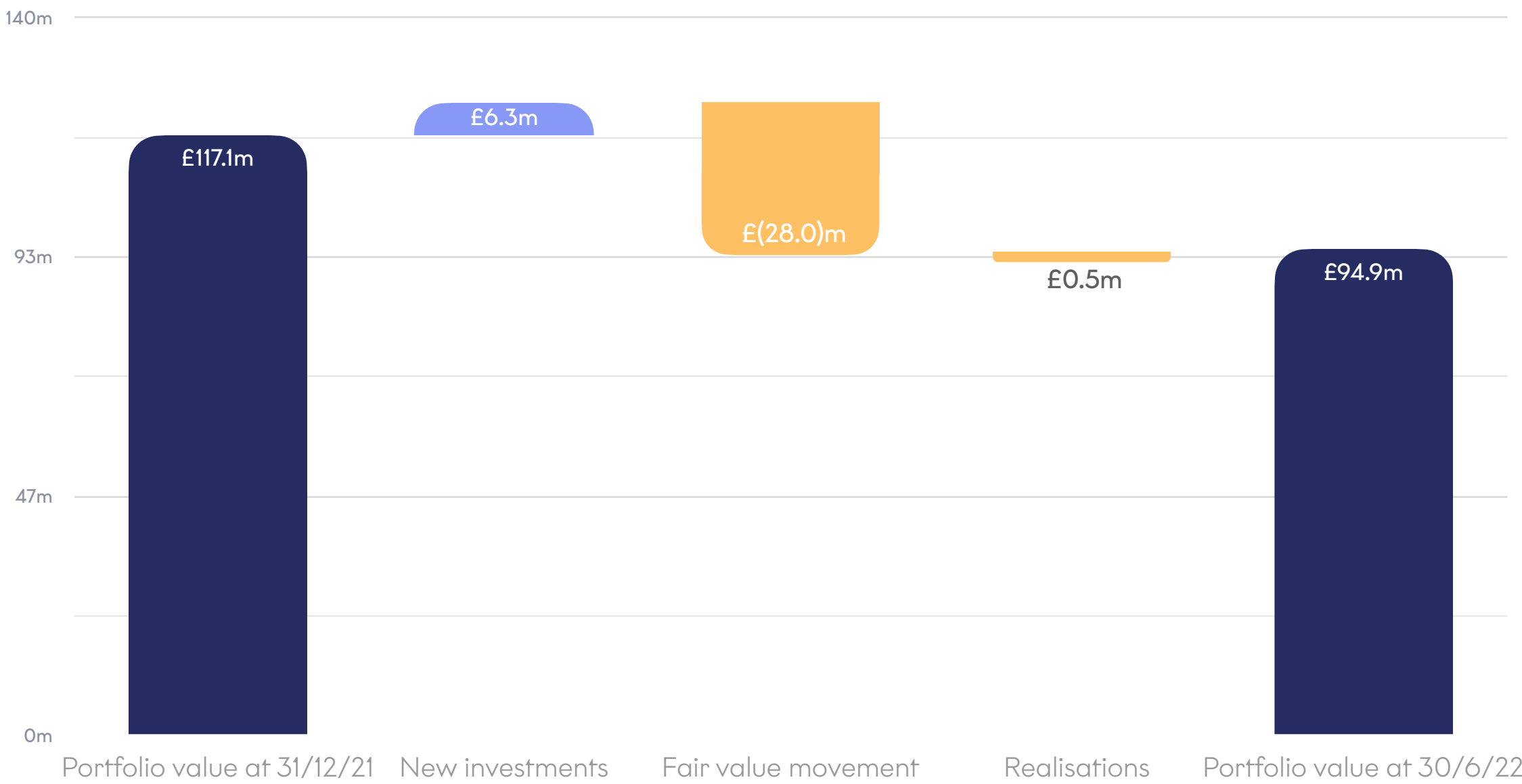




# Financial highlights: venture portfolio movements.

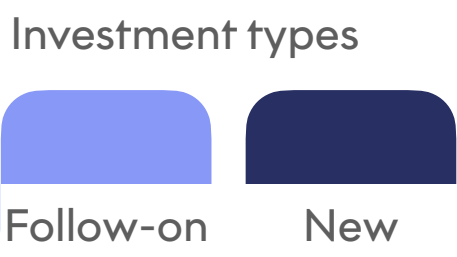
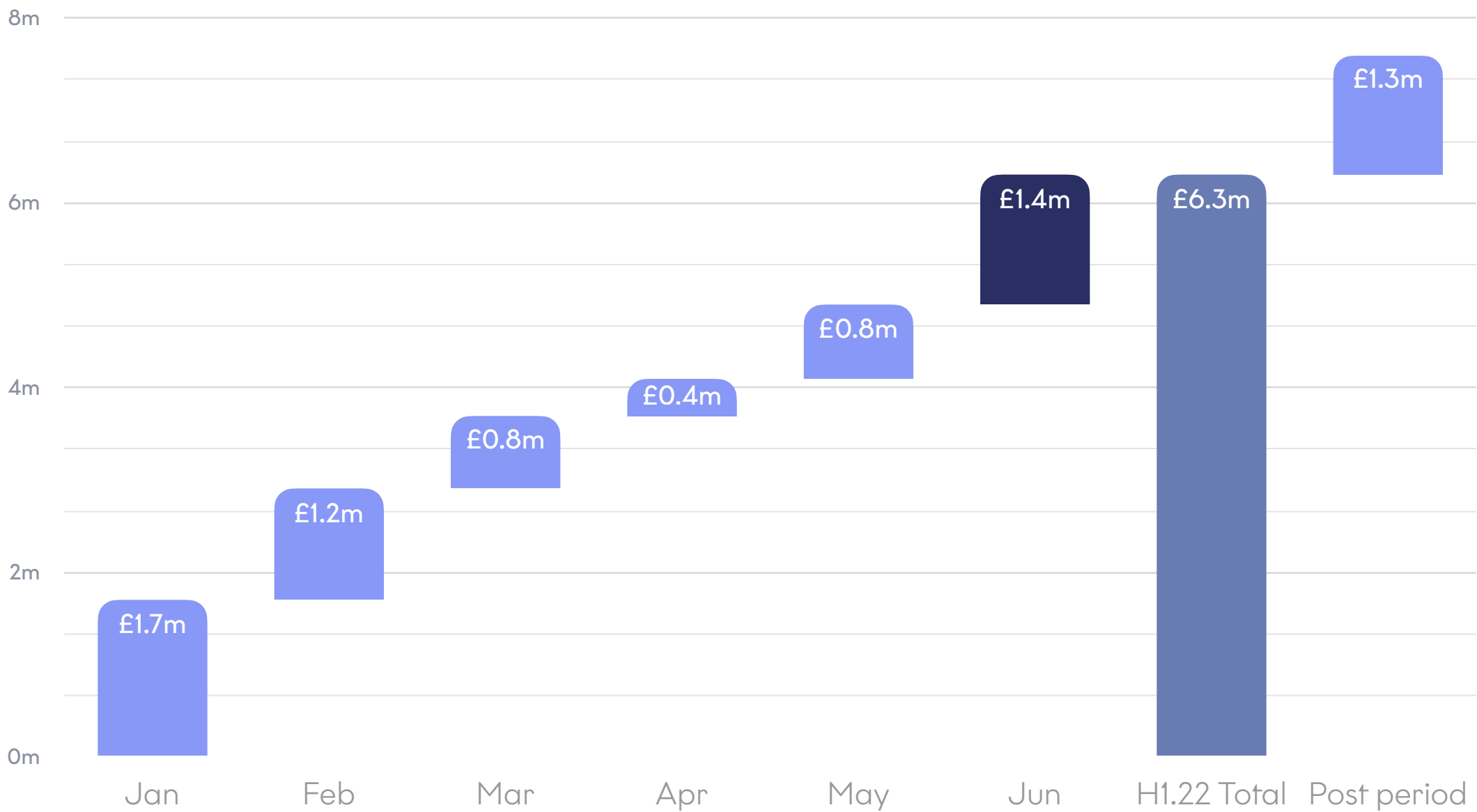
## Venture Portfolio Value progression.

Through this period, we saw new investments of £6.3m, realisations of £0.5m and a decline in fair value of £28.0m, resulting in a portfolio value at 30 June 2022 of £94.9m.



## Capital deployment.

Through this period, Forward made 14 investments, deploying £1.4m into two new companies Sonrai and Baseline, and £4.9m into existing portfolio companies.

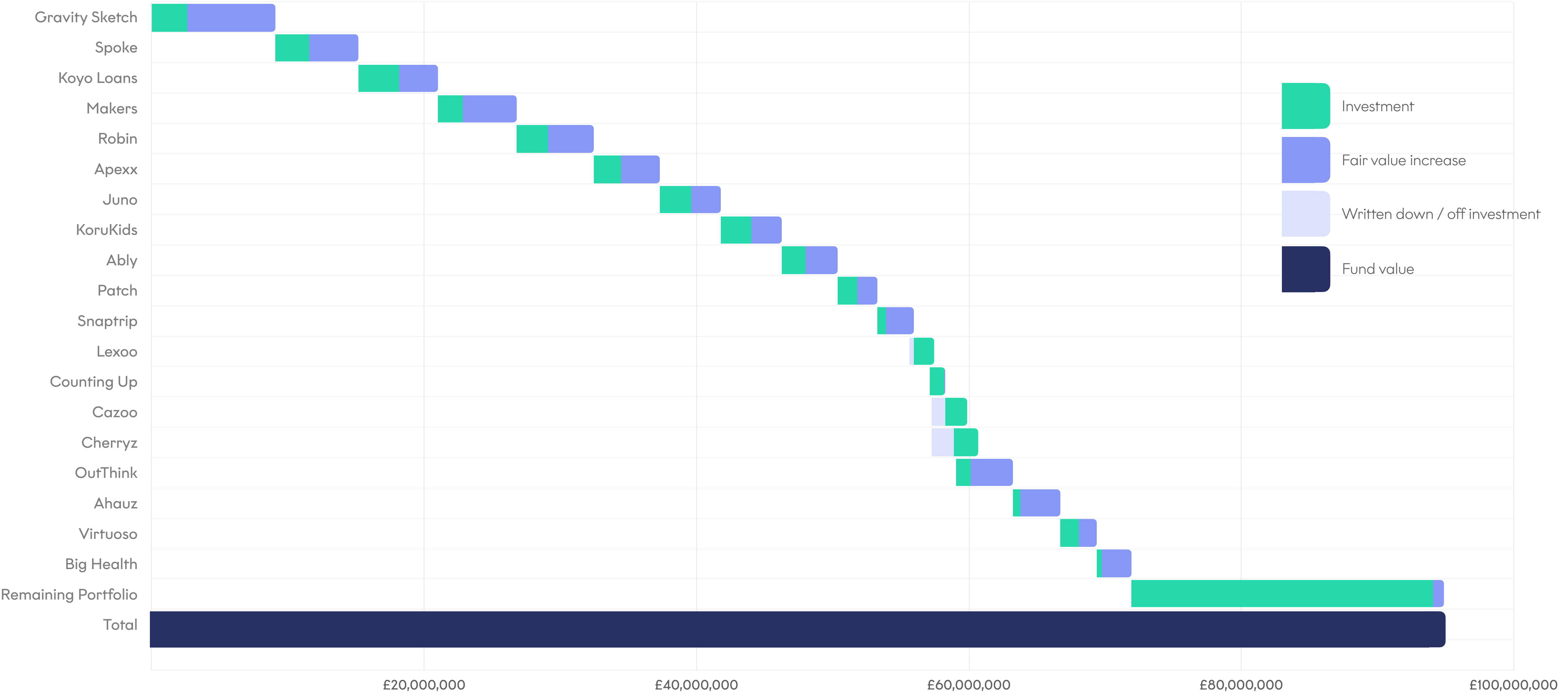






# Financial highlights: portfolio composition.

## KEY PORTFOLIO INVESTMENTS BY VALUE AT H1.22.







# Outlook: strength in portfolio underpins confidence in future success.

- **Venture capital remains an attractive asset class.** The ever increasing pace of change will continue to drive growth in the startup ecosystem. We see venture as a long term game.
- **Revenue growth at our portfolio companies will drive valuation growth over the medium term.** Growth at our portfolio companies remains robust and will likely accelerate again when fundraising becomes easier and they are able to increase their rate of investment.
- **Valuation headwinds may persist in the near term.** Valuation pressures may have a further negative effect on the Fair Value of our portfolio in the near term, but we are seeing increasing indications that it may not be too long before we get back to growth.
- **Minimal exposure to bankruptcies or down rounds.** Few of our top assets will have to fundraise for eighteen months or more so any valuation downgrades are likely to be as a result of periodic re-valuations rather than third party valuation events.
- **We continue to invest.** Entrepreneurs don't stop for recessions, our deal flow remains strong, and valuations are coming down from their 2021 highs.
- **Strong cash position.** We have sufficient cash to support our portfolio and maintain our investment rate for the foreseeable future.







# Thank you.

DISCOVER MORE AT  
[FORWARDPARTNERS.COM](https://forwardpartners.com)





# Appendix







# Our Management Team.



**Nic Brisbane**

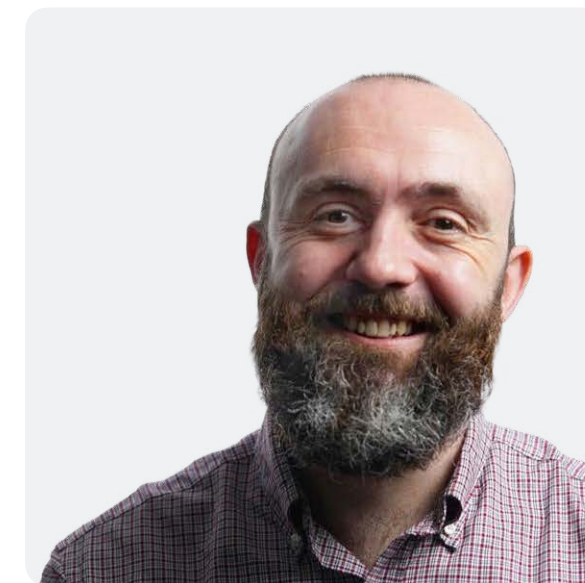
**Founder + CEO**

Career VC

Over 20 years in Venture Capital

Partner at Draper Esprit

Reuters Ventures



**Luke Smith**

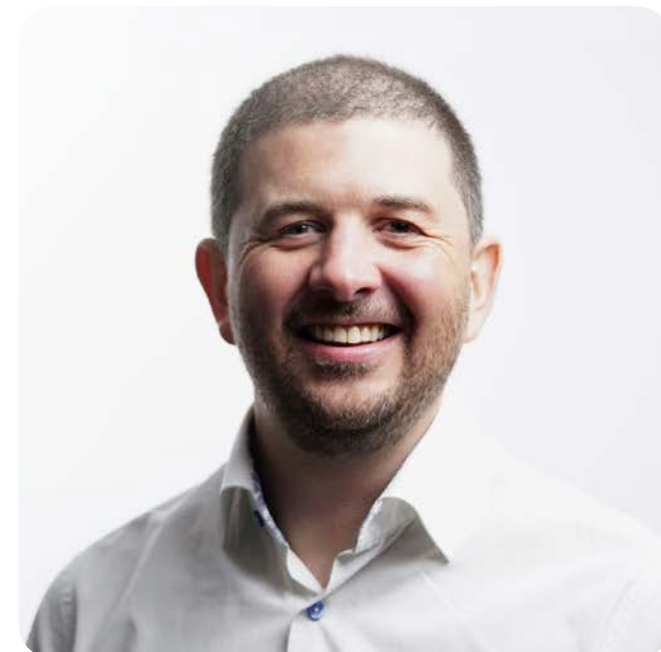
**Investment Partner**

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**Lloyd Smith**

**CFO**

Former CFO, ATI Global UK&I

Background at EY and PwC

working with a mix of private equity firms, AIM-listed businesses,

banks and other privately held

companies



**Jasel Mehta**

**COO + Head of Studio**

Innovation consultant

13 years at AKQA

Clients included Audi, Coca Cola,

Nike and Nissan

# Our Board.



## MANAGEMENT TEAM



**Nic Brisbane**

**Founder + CEO**

Career VC  
Over 20 years in Venture Capital  
Partner at Draper Esprit  
Reuters Ventures



**Lloyd Smith**

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Background at EY and PwC  
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**Jasel Mehta**

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Innovation consultant  
13 years at AKQA  
Clients included Audi, Coca Cola,  
Nike and Nissan

## BOARD



**Jonathan McKay**

**Chair**

Entrepreneur turned angel investor  
CMO and COO at Forte, acquired by Sun Microsystems  
Chaired many venture backed tech startups through to exit



**Susanne Given**

**NED, Chair, Audit and Risk**

Experienced executive and board director  
Exec roles at John Lewis, TK Maxx  
Director at Made.com, Morrisons



**Christopher Smith**

**NED Chair, Remuneration and Nominations**

Experienced investment banker - 35 years  
Vice Chairman at UBS Ltd  
Advised on over 100 IPOs





# Consolidated statement of comprehensive income

for the six month period ended 30 June 2022

			(restated)
	Note	Period Ended 30.06.22 £'000	Period Ended 30.06.21 £'000
Fair value change in gains on investments held at fair value through the profit and loss	4	(28,010)	18,513
Profit/(Loss) on disposal of investments		(41)	-
Revenue	2	367	463
<b>Total Income</b>		<b>(27,666)</b>	<b>18,976</b>
Administrative expenses		(4,453)	(1,909)
Carried Interest Charge		7,347	(3,956)
Depreciation and amortisation		(56)	(99)
<b>Total Operating Expense</b>		<b>2,838</b>	<b>(5,964)</b>
(Loss)/Profit from operations		(24,826)	13,112
Finance costs		(82)	(3)
<b>(Loss)/Profit before taxation</b>		<b>(24,928)</b>	<b>13,009</b>
Corporation tax expense		-	-
<b>(Loss)/Profit for the year after tax attributable to owners of the parent</b>		<b>(24,928)</b>	<b>13,009</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income attributable to owners of the parent</b>		<b>(24,928)</b>	<b>13,100</b>
<b>Basic and diluted Earnings per Share from continuing operations</b>	5	<b>(19)p</b>	<b>10p</b>





# Consolidated statement of financial position

as at 30 June 2022

	Note	30.06.22 £'000	(audited) 31.12.21 £'000
<b>Non-Current Assets</b>			
Intangible assets		62	71
Financial assets held at fair value through the profit or loss	4	95,377	117,597
Property, plant and equipment		36	35
Right of use assets		-	37
		<b>95,475</b>	<b>117,740</b>
<b>Current Assets</b>			
Trade and other receivables		715	1,411
Financial assets held at amortised cost	4	1,031	1,499
Financial assets held at fair value through the profit or loss	4	915	804
Cash and cash equivalents		22,588	31,066
		<b>25,249</b>	<b>34,780</b>
<b>Total Assets</b>		<b>120,724</b>	<b>152,520</b>
<b>Current Liabilities</b>			
Trade and other payables		1,044	682
Lease Liabilities		6	30
		<b>1,050</b>	<b>712</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		9	9
Financial liabilities		945	934
Lease Liabilities		-	-
Provision for carried interest		3,942	11,288
		<b>4,896</b>	<b>12,231</b>
<b>Total Liabilities</b>		<b>5,946</b>	<b>12,943</b>
<b>Net Assets</b>		<b>114,778</b>	<b>139,577</b>
<b>Capital and reserves attributable to equity holders of the Group</b>			
Called up share capital		1,346	1,346
Share premium account		130,991	130,991
Merger reserve		(33,189)	(33,189)
Non-controlling interest		-	-
Retained earnings		15,630	40,429
		<b>114,778</b>	<b>139,577</b>
<b>Basic and diluted NAV per share</b>	<b>5</b>	<b>85p</b>	<b>104p</b>

Registered number: 13244370





# Consolidated statement of changes in equity

for the six month period ended 30 June 2022

	<i>Share Capital</i> £'000	<i>Share Premium</i> £'000	<i>Merger Reserve</i> £'000	<i>Non-Controlling Interest</i> £'000	<i>Retained Earnings</i> £'000	<i>Total</i> £'000
Balance at 1 January 2022 (audited)	1,346	130,991	(33,189)	-	40,429	139,577
Profit for year attributable to equity holders	-	-	-	-	(24,928)	(24,928)
Options granted and awards exercised	-	-	-	-	129	129
<b>Balance at 30 June 2022</b>	1,346	130,991	(33,189)	-	15,630	114,778

	<i>Share Capital</i> £'000	<i>Share Premium</i> £'000	<i>Merger Reserve</i> £'000	<i>Non-Controlling Interest</i> £'000	<i>Retained Earnings</i> £'000	<i>Total</i> £'000
Balance at 1 January 2021	-	-	49,372	20,368	11,962	81,702
Profit for year attributable to equity holders	-	-	-	-	13,009	13,009
Share capital issuance	50	-	-	-	-	50
Change in merger reserve arising on reorganisation	-	-	28,101	(20,368)	(317)	7,416
<b>Balance at 30 June 2021 (restated)</b>	50	-	77,473	-	24,654	102,177





# Consolidated statement of cash flows

for the six month period ended June 2022

	30.06.22	30.06.21
Note	£'000	£'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(24,928)	13,009
<b>Adjustments to reconcile operating profit to net cash flows used in operating activities</b>		
Revaluation of investments held at fair value through the profit and loss	28,010	(18,513)
Loss on disposal of fixed assets	41	-
Depreciation and amortisation	56	99
Share-based payments	129	-
Finance expense	82	3
Decrease in trade and other receivables	692	274
Increase in loans receivable	358	-
Decrease in trade and other payables	(6,981)	3,729
<b>Net cash used in operating activities</b>	<b>(2,541)</b>	<b>(1,399)</b>
Tax received/(paid)	-	-
<b>Net cash outflows from operating activities</b>	<b>(2,541)</b>	<b>(1,399)</b>
<b>Cash flows used in investing activities</b>		
Purchase of investments	(6,294)	(6,088)
Proceeds from disposals	463	34
Purchase of property, plant and equipment	(11)	(8)
<b>Net cash outflows from investing activities</b>	<b>(5,842)</b>	<b>(6,063)</b>
<b>Cash flows used in financing activities</b>		
Proceeds from borrowings	11	-
Interest paid	(82)	-
Repayments of leasing liabilities	(24)	(90)
Change in investment in Fund I & II	-	7,416
Gross proceeds from issue of share capital	-	50
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(95)</b>	<b>7,376</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(8,478)</b>	<b>(86)</b>
Cash and cash equivalents at beginning of year	31,066	503
<b>Cash and cash equivalents at end of year</b>	<b>22,588</b>	<b>417</b>





# Portfolio Value

The top 15 investments cover 62.3% of the portfolio by fair value.

	<i>Fair Value at 31/12/2021</i>	<i>Invested</i>	<i>Realised</i>	<i>Fair value change</i>	<i>Fair Value 30/06/2022</i>
	£m	£m	£m	£m	£m
↔ Gravity Sketch	8.4	0.7	-	-	9.1
↔ Spoke	5.2	0.3	-	0.6	6.1
↔ Koyo Loans	3.3	0.5	-	2.0	5.8
↔ Makers	8.3	0.4	-	(2.9)	5.8
↔ Robin	4.7	0.9	-	-	5.6
↔ Apexx	4.7	0.2	-	-	4.9
↔ Juno	4.5	-	-	-	4.5
↔ KoruKids	3.9	0.5	-	-	4.4
↔ Ably	12.9	-	-	(8.8)	4.1
↔ Patch	5.2	0.3	-	(2.5)	3.0
↔ Snaptrip	5.0	-	-	(2.3)	2.7
→ Lexoo	3.2	-	-	(2.1)	1.1
→ Counting Up	2.8	-	-	(1.7)	1.1
→ Cazoo	4.9	-	-	(4.3)	0.6
→ Cherryz	3.7	-	-	(3.5)	0.2
← OutThink	1.6	-	-	2.5	4.1
← Ahauz	1.6	-	-	1.9	3.5
← Virtuoso	2.7	-	-	-	2.7
← Big Health	2.5	-	-	-	2.5
Remaining portfolio	28.0	2.5	(0.5)	(6.9)	23.1
<b>Ventures Portfolio Value</b>	<b>117.1</b>	<b>6.3</b>	<b>(0.5)</b>	<b>(28.0)</b>	<b>94.9</b>
Carried Interest	(11.3)	-	-	7.3	(4.0)
<b>Net Ventures Portfolio Value</b>	<b>105.8</b>	<b>6.3</b>	<b>(0.5)</b>	<b>(20.7)</b>	<b>90.9</b>

↔ Part of the Top 15 in December 2021 and June 2022

→ New to the Top 15 as at June 2022

← No longer part of the Top 15 as at June 2022





1. Top 15 portfolio investments denote the most valuable companies held in Forward's Venture portfolio by Fair Value at a point in time. Except where otherwise noted in this release, we refer to the Top 15 at 31 December 2021 to provide a meaningful basis for comparison. At that time, the Top 15 comprised Ably, Gravity Sketch, Makers, Spoke, Patch, Snaptrip, Cazoo, Robin AI, Apexx, Juno, KoruKids, Cherryz, Koyo Loans, Lexoo and Counting Up. The Top 15 will be updated in Forward's final year results.
2. Management estimates as of 12 August 2022. These are based on portfolio company forecasts and assume no further material deterioration in the economy or public technology stocks that the Company utilises in comparable valuations. Where Management expect funding rounds to close soon and that completion is extremely likely to occur then the runway analysis is made on the basis that the round is closed. Revenue growth average weighted by the Fair Value of portfolio companies at 31 December 2021.