

Difference Capital Shareholder Update

A Great Portfolio Day

“We give public investors easy access to an asset class not easily obtained in the public markets and we give deserving private growth companies access to publically raised capital” –

DCF Presentation Portfolio Day 2016

On June 1 we held our third annual “Portfolio Day” to show off our unique portfolio. We had eight of our portfolio companies provide 20 minute presentations to an audience of close to 90 investors, analysts, advisors and bankers. Thanks to all of the presenters and those of you who made this event an overwhelming success!

Management at Difference Capital took this opportunity to “enthrall” the audience with our progress and provided a thorough update on the portfolio’s holdings, strategy and performance. This alongside the other presenters delivered a thorough update on 80% of our portfolio. You can view our presentation here Link: <http://differencecapital.com/investors/events-presentations/>

During our presentation, we highlighted the large number of exits we’ve achieved in the last two years (about \$50 million worth) plus we showed that if investors were to look at us as an “operating tech company” (by consolidating all of our investments on a pro rata ownership basis), then we would look like a company with annual revenue of about \$25 million, most of it recurring revenue, and growing at about 40% p.a. We point out that this growth rate is about 3x the growth rate of the Canadian tech universe and our valuation on an EV/Revenue basis would be considerably lower than that of the same universe. Just a thought.

We think this makes our case for our alternative asset investing even more attractive to investors.

Here is a quick snapshot of the presenting companies:

BuildDirect (John Sotham, VP Finance) highlighted the progress it is making with its new eCommerce marketplace for heavy goods.

Blue Ant Media (Michael MacMillan, CEO) highlighted the rapid growth in its on-line video business along with the stability in its media and events business.

Thunderbird (Tim Gamble, CEO) talked about the opportunity for its amazing looking Beat Bugs production (based on the Beatles song catalog) as well as other projects, including the Blade Runner sequel.

Vision Critical (Scott Miller, CEO) showed how Vision is helping the Fortune 1000 use its SaaS technology to engage with key customers to develop new products and solve other key business challenges.

Vena Solutions (Don Mal, CEO) highlighted the customer traction it is getting with its SaaS-based corporate performance system which uses Excel as its front end.

Carta Worldwide (Giles Sutherland, VP) showed how it is leading mobile payments innovation with Vodafone, PayPal and other well-known brands.

Bluedrop (Derrick Rowe, Exec. Chair) highlighted both its cash-flowing Simulation and Training business as well as its emerging SaaS skills management group.

Brainscope (Michael Singer, CEO) enlightened us all on the impact of concussions and its key technology to detect it.

Until next time.

Sincerely,

The Investment Team at Difference

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