

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the UK Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if you are resident in the Republic of Ireland, is duly authorised under the European Communities (Markets in Financial Instruments) Regulations 2017 (as amended) or the Investment Intermediaries Act 1995 (as amended), or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom or the Republic of Ireland.

This document comprises a prospectus relating to Draper Esprit plc ("**Draper Esprit**" or the "**Company**") prepared in accordance with: (i) the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA; and (ii) the Irish Prospectus Rules. This document has been filed with, and approved by, the FCA and the Central Bank of Ireland and has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules and Article 21 of Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**").

This document has been approved by: (i) the FCA, as competent authority under the EU Prospectus Regulation as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**"); and (ii) the Central Bank of Ireland, as competent authority under the EU Prospectus Regulation. The FCA and the Central Bank of Ireland only approve this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the EU Prospectus Regulation respectively. Neither approval should be considered as an endorsement of the company that is, or the quality of the securities that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities.

The Ordinary Shares, as at the date of this document, are admitted to trading on the AIM market of London Stock Exchange plc (the "**London Stock Exchange**") and the Euronext Growth Market in Dublin. The Ordinary Shares rank *pari passu* in all respects.

Application will be made to the FCA for all of the issued Ordinary Shares to be admitted to the premium listing segment of the official list of the FCA (the "**Official List**") and to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (the "**Main Market**") (together the "**UK Admission**"). Application will also be made for all of the issued Ordinary Shares to be admitted to a secondary listing on the official list (the "**Irish Official List**") of Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") and to trading on the Euronext Dublin Market, a regulated market operated by, and the main securities market of, Euronext Dublin (together the "**Irish Admission**" and, together with the UK Admission, "**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on 23 July 2021.

The Company is not offering any new shares nor any other securities in connection with Admission. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any shares nor any other securities of the Company in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the UK, Ireland or in any other jurisdiction in connection with Admission.



DRAPER ESPRIT PLC

(Incorporated in England and Wales with registered number 09799594)

Admission of 152,999,853 Ordinary Shares of £0.01 each to the premium listing segment of the Official List, to trading on the main market for listed securities of the London Stock Exchange, a secondary listing on the Irish Official List and to trading on the main securities market of Euronext Dublin

**Joint Sponsor and Joint Corporate Broker
NUMIS SECURITIES LIMITED**

**Joint Sponsor and Joint Corporate Broker
GOODBODY STOCKBROKERS UC**

The Company and each of the Directors and Proposed Director, whose names appear on page 27 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors and Proposed Director, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" on pages 12 to 20 of this document when considering an investment in the Company.

Numis Securities Limited (trading as Numis Securities) ("**Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint sponsor (LSE) and joint corporate broker for the Company and for no one else in relation to the UK Admission and any other arrangements referred to in this

document. Numis will not regard any other person (whether or not a recipient of this document) as its client in relation to the UK Admission and any other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the UK Admission, the contents of this document or any transaction or arrangement referred to in this document.

Goodbody Stockbrokers UC, trading as Goodbody ("**Goodbody**"), which is regulated in Ireland by the Central Bank of Ireland and regulated in the United Kingdom by the FCA, is acting exclusively as joint sponsor (LSE), sponsor (Euronext Dublin) and joint corporate broker for the Company and for no one else in relation to Admission and any other arrangements referred to in this document. Goodbody will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and any other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission the contents of this document or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis and/or Goodbody by FSMA or the regulatory regime established thereunder, neither Numis and/or Goodbody make any representation, express or implied, in relation to, nor accept any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or them or on its or their behalf in connection with the Company, the Ordinary Shares or Admission. Each of Numis and Goodbody (and their respective affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it or they might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or them or on its or their behalf in connection with the Company, the Ordinary Shares or Admission.

Each of Numis and Goodbody or their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for the Company, for which they would have received customary fees. Each of Numis and Goodbody and their respective affiliates may provide such services to the Company and any of their respective affiliates in the future.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers, financial advisers, tax advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, Numis and/or Goodbody nor any of their respective representatives is making any representation to any purchaser of Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such purchaser under the laws applicable to such offeree or purchaser.

Notice to U.S. and other overseas persons

This document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Numis and/or Goodbody or to any person to whom it is unlawful to make such offer or solicitation. The Ordinary Shares have not been and will not be registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Ordinary Shares in the United States. Any offer or sale of Ordinary Shares will be outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act. The Company and certain of its subsidiaries and subsidiary undertakings may be passive foreign investment companies ("**PFIC**") for U.S. federal income tax purposes, and they could each be a PFIC in future years and, if the Company and/or certain of its subsidiaries and subsidiary undertakings are PFIC, U.S. taxable investors

may be subject to adverse U.S. tax consequences in respect of an investment in Ordinary Shares by a U.S. Person.

The Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

Copies of this document will be available on the Company's website (www.draperesprit.com), the National Storage Mechanism of the FCA at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, the Official Appointed Mechanism of the Central Bank of Ireland at <https://www.euronext.com/en/markets/dublin> and hard copies of this document can be obtained free of charge from the Company.

Without limitation, neither the contents of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA or the Central Bank of Ireland. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this document alone.

Dated: 19 July 2021

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PART 1

SUMMARY

1 INTRODUCTION AND WARNINGS

1.1 Name and international securities identifier number (ISIN) of the securities

Ordinary Shares with ISIN GB00BY7QYJ50.

1.2 Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)

The issuer's name is Draper Esprit plc ("**Draper Esprit**" or the "**Company**"). The Company's registered office is at 20 Garrick Street, London, England, WC2E 9BT and its telephone number is +44 (0)20 7931 8800. The Company's Legal Entity Identifier is 213800IPCR3SAYJWSW10.

1.3 Identity and contact details of the competent authorities approving the document

This document has been approved by the FCA with its head office at 12 Endeavour Square, London E20 1JN and telephone number +44 (0) 20 7066 1000, as competent authority under Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**") as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**").

This document has also been approved by the Central Bank of Ireland, headquartered at New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Republic of Ireland and telephone number +353 (0)1 224 5800, as competent authority under the EU Prospectus Regulation.

1.4 Date of approval of this document

This document was approved by the FCA and the Central Bank of Ireland on 19 July 2021.

1.5 Warning

This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and Article 7 of the EU Prospectus Regulation and should be read as an introduction to this document and any decision to invest in Ordinary Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Ordinary Shares.

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

2.1.1 Domicile, legal form, LEI, jurisdiction of incorporation and country of operation

The Company is incorporated in England and Wales with its registered office in England and its LEI is 213800IPCR3SAYJWSW10. The Company was incorporated and registered as a public company limited by shares in England and Wales on 29 September 2015 with registered number 9799594 under the Companies Act.

2.1.2 Principal activities

Draper Esprit is a leading venture capital firm with a proven track record investing in and developing high growth digital technology businesses, which was admitted to AIM and the Euronext Growth Market (formerly the Enterprise Securities Market) in June 2016. The Company is not regulated as a collective investment scheme by the FCA but is a closed-ended AIF under the UK AIFM Regime and the EU AIFM Directive. The Company offers an increasingly broad range of funds, direct investments and tailored investment opportunities.

Draper Esprit's platform provides access to high quality business leaders, advisory teams and operational specialists to offer transformative support to help investee companies achieve their growth ambitions. The Company is actively involved in the long term growth of its investee companies, by taking minority positions with customary investor protections, including the appointment of an investor director on the boards of a large number of the investee companies.

The Company has a proven track record and an ambitious asset management strategy focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment which Draper Esprit is able to provide via its balance sheet and growing base of third party funds.

Draper Esprit's balance sheet investments are managed by Esprit Capital, a wholly owned subsidiary undertaking incorporated in England and Wales and authorised by the FCA as a 'full scope AIFM'. In addition, Encore Ventures, another wholly owned subsidiary authorised by the FCA as a 'small authorised AIFM', manages, as at 31 March 2021, £175.6 million of EIS funds and Elderstreet Investments, a further wholly owned subsidiary also authorised by the FCA as a 'small authorised AIFM', manages, as at 31 March 2021, a £55.4 million VCT fund. The EIS funds and the VCT fund co-invest alongside Draper Esprit where investments meet the relevant Enterprise Investment Scheme/Venture Capital Trust eligibility requirements. The Company's co-investment strategy allows the Company to lead more deals and increase the total size of investment in investee companies. Draper Esprit recognises the opportunity to link public market/pension fund capital to the venture capital asset class and is building multiple investment strategies (Growth Fund, Seed Fund of Funds) to build third party AUM and fee income alongside the growth of the Company balance sheet.

Draper Esprit's balance sheet has a portfolio of 71 minority interests in companies which, as at 31 March 2021, had a Gross Portfolio Value of c.£984 million (31 March 2020: c.£703 million). 17 core holdings represent approximately 68% of the Gross Portfolio Value. The core holdings as at 31 March 2021 comprised Trustpilot, Graphcore, UiPath, Ravenpack, M-Files, Aircall, Revolut, Smava, Perkbox, Ledger, Thought Machine, Aiven, Cazoo, SportPursuit*, Lyst, Endomag and Freetrade. A summary overview of the portfolio as at 31 March 2021 is also set out below.

Sector	Total no. of companies	% split (based on NAV)	% split (based on no. of companies)
Enterprise technology	26	35	37
Consumer technology	23	25	32
Hardware & deeptech	15	37	21
Digital health & wellness	7	4	10
Total	71	100	100

*since 31 March 2021, the Group has realised a further £22.8 million from the sale of its investment in SportPursuit as a consequence of an investment by private equity firm bd-capital.

In order to, *inter alia*, generate new deal flow for Draper Esprit's balance sheet and its third party funds and diversify the Group's returns, Draper Esprit had, at 31 March 2021, also indirectly invested in over 530 companies via 35 third party seed funds, with total commitments of c.£67.2 million, of which c.£ 25.5 million had been drawn at that date.

In 2018, the Company entered into a partnership with Earlybird, a venture capital investor, in order to share dealflow, investment resources and expertise to co-invest in high growth European technology companies. At this time, the Company took a significant stake in Earlybird's Digital West Early Stage VI fund. In 2019, it acquired a 27% stake in Earlybird's EB

IV fund for c.£55 million and a 5% stake in Earlybird DEF for US\$20 million and has recently committed c.£17.5 million and €15 million into Earlybird's Digital West Early Stage VII fund and Earlybird's Opportunities IV fund respectively.

2.1.3 Major Shareholders

In so far as it is known to the Company as at the date of this document, the following persons are directly or indirectly interested (within the meaning of the Companies Act) in 3% or more of the Company's issued share capital:

Shareholder	No. of Ordinary Shares	Percentage of issued Ordinary Shares
Baillie Gifford	14,316,088	9.4%
National Treasury Management Agency	14,004,502	9.2%
T Rowe Price Global Investments	11,034,375	7.2%
Swedbank Robur	8,328,198	5.4%
Canaccord Genuity Wealth Management (Inst)	8,097,956	5.3%
BlackRock	7,735,378	5.1%
Schroders Plc	7,453,284	4.9%
British Business Bank	7,142,857	4.7%
Liontrust Sustainable Investments	5,029,615	3.3%
Aberdeen Standard Investments	4,848,272	3.2%
Brunei Investment Agency	4,761,904	3.1%

2.1.4 Key managing directors

Martin Davis is the Chief Executive Officer, Stuart Chapman is the Chief Portfolio Officer and Ben Wilkinson is the Chief Financial Officer.

2.1.5 Identity of statutory auditors

PricewaterhouseCoopers LLP of 7 More London Riverside, London, SE1 2RT, United Kingdom.

2.2 What is the key financial information regarding the issuer?

The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference.

Selected consolidated statement of comprehensive income information

	For the year ended 31 March		
	2019 £'000	2020 £'000	2021 £'000
Change in unrealised gains on investments held at fair value	114,715	40,755	276,307
Fee income	6,101	11,255	12,507
Total investment income	120,816	52,010	288,814
Total operating expenses	(11,267)	(11,559)	(16,304)
Profit from operations	109,549	40,451	272,604
Operating profit before tax	111,150	40,383	267,447
Profit for the year	111,161	40,366	267,421
Total comprehensive income for the year	111,161	40,366	267,421

	For the year ended 31 March		
	2019 £'000	2020 £'000	2021 £'000
Earnings per share attributable to owners of the Parent:			
Basic earnings per weighted average shares (pence)	115	34	208
Diluted earnings per weighted average shares (pence)	110	33	206

Selected consolidated statement of financial position information

	As at 31 March		
	2019 £'000	2020 £'000	2021 £'000
Total non-current assets	572,658	669,379	879,392
Total current assets	51,498	41,857	164,377
Total current liabilities	(4,959)	(5,396)	(9,990)
Total non-current liabilities	(631)	(46,222)	(638)
Net assets	618,566	659,618	1,033,141
Equity			
Equity attributable to owners of parent	618,332	659,618	1,033,141
Non-controlling interest	234	—	—
Total equity	618,566	659,618	1,033,141
No. of Ordinary Shares	117,925,470	118,918,124	139,097,075
Net assets per share (pence)	524	555	743

2.3 What are the key risks that are specific to the issuer?

The attention of investors is drawn to the risks associated with an investment in the Company which, in particular, include the following:

Investee company valuations are subject to change

The Group's investments include securities for which no or only a limited market exists. These investments are extremely difficult to value accurately. Further, such valuations cannot by their nature be exact and are liable to change. The aggregate value of the Group's investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may materially adversely affect the market price of the Ordinary Shares.

The Group's investments are at an early stage and carry inherent risk

Many of the Group's investments are in early stage companies and there is no certainty that any of the businesses will: (i) reach the stage where economic benefits resulting from expenditure on research activities become probable; or (ii) generate any, or any significant, returns (e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders (including the members of the Group) or that the Group will be able to secure a profitable exit from its investment in any or all of the Company's portfolio businesses.

Proceeds from the sale of investments may vary substantially from year to year

There can be no guarantee as to when an investment will ultimately be realised and whether it will be realised for an amount exceeding the amount invested by the Group. Some or all of the Group's investments may be difficult to realise in a timely manner, or at an appropriate price, or at all. If the Group is unable to realise value from its investments or is delayed from realising such value in a timely manner, this could have a material adverse effect on the Company's business (including its ability to re-invest such proceeds), financial condition and/or results of operations and/or the market price of the Ordinary Shares.

The Group and its investee companies are subject to competition risk

The execution of the Company's investment policy depends primarily on the ability of the Group to identify opportunities to make investments. Increasingly, more entities are competing with the Group for investment opportunities. Moreover, increased competition can lead to increased pricing in respect of the Group's investments. The Group may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Group may experience decreased rates of return and increased risk of loss if it matches investment prices, structures and terms offered by competitors. The Company can offer no assurance that competitive pressures will not have a material adverse effect on its business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

Need for further investment

The Company may require additional capital in the future for expansion activity and/or business development and/or potential follow-on investments in existing investee companies. If the Company does not have sufficient additional capital, the Group will not be able to participate in subsequent funding rounds carried out by portfolio businesses which will result in the interest which the Group holds in such businesses being diluted which may have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

The Group may be subject to certain epidemic-related risks, such as the coronavirus (COVID-19)

The operations and performance of investee companies in which the Group may invest, or acquire in the future, may be affected by the impact on the global economy and businesses that COVID-19 (or another pandemic or epidemic) is currently having or may have in the future. Global capital markets have seen significant volatility as COVID-19 continues to have sustained impact on business across the world. Such volatility and downturn could have an impact on the liquidity of the Ordinary Shares. Investors should be aware that if any such risks materialise, it could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

Changes in laws or regulations governing the Group and its business may adversely affect the business and performance of the Group

The laws and regulations affecting the Group and its investee companies are evolving and any changes in such laws and regulations, including any policies that prevent or provide additional hurdles to cross-border M&A activity or raising new tariffs impacting investee companies' supply chains, may have a material adverse effect on the ability of the Company and/or investee companies to carry on their businesses. Any such changes could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

3 KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

3.1.1 Type, class and ISIN

The shares are Ordinary Shares with a nominal value of 1 pence each in the capital of the Company. The ISIN is GB00BY7QYJ50.

3.1.2 Currency, denomination, par value, number of securities issued and duration

The currency of the Ordinary Shares is Sterling. The issued share capital of the Company as at the date of this document is £1,529,998.53 comprising 152,999,853 Ordinary Shares of £0.01 each, all of which are full paid or credited as fully paid.

3.1.3 Rights attached to the Ordinary Shares

The rights attaching to the Ordinary Shares are uniform in all respects and they form a single class for all purposes, including with respect to voting and any dividends or other distributions declared, made or paid on the ordinary share capital of the Company. At a general meeting, on a show of hands, every Shareholder who is present in person shall have one vote, and on a poll, every Shareholder present in person or by proxy or by representative shall have one vote per Ordinary Share held by it.

3.1.4 Rank of securities in the issuer's capital structure in the event of insolvency

The Ordinary Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the Companies Act. The Ordinary Shares rank *pari passu* in all respects.

3.1.5 Restrictions on the free transferability of Ordinary Shares

The Ordinary Shares are free from restrictions on transfer, subject to compliance with applicable securities laws.

3.1.6 Dividend policy

It is the current intention of the Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group's portfolio. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Group.

3.2 Where will the securities be traded?

Application will be made to the FCA for all of the issued Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the Main Market. Application will also be made for all of the issued Ordinary Shares to be admitted to a secondary listing on the Irish Official List and to trading on the Euronext Dublin Market.

3.3 What are the key risks specific to the securities?

The attention of investors is drawn to the risks associated with an investment in the Ordinary Shares which, in particular, include the following:

- the value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested;
- the market price of the Ordinary Shares may fluctuate independently of the Net Asset Value per Ordinary Share and may trade at a discount or premium to the Net Asset Value per Ordinary Share at different times;
- it may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Ordinary Shares; and
- the Company may issue additional Ordinary Shares, which may cause the market price of the existing Ordinary Shares to decline and/or be dilutive to existing Shareholders who cannot, or choose not to, participate.

4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

The Company is not offering any new shares nor any other securities in connection with Admission. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any shares nor any other securities of the Company in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the UK, Ireland or in any other jurisdiction in connection with Admission.

4.2 Why is this prospectus being produced?

This document is being produced solely in connection with the admission of the Ordinary Shares to the premium segment of the Official List of the FCA, to trading on the Main Market, a secondary listing on the Irish Official List and to trading on the Euronext Dublin Market.

PART 2

RISK FACTORS

An investment in the Ordinary Shares carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this document, the following specific factors should be considered when deciding whether to make an investment in the Ordinary Shares. The risks set out below are those that are considered to be the material risks relating to the Group and to an investment in the Ordinary Shares but are not the only risks relating to the Group and to such investment in the Ordinary Shares. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Ordinary Shares. It should be remembered that the price of securities can go down as well as up.

The risks relating to the Group and the Ordinary Shares summarised in the section of this document headed “Summary” are the risks that the Directors and Proposed Director believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary” but also, among other things, the risks and uncertainties described in this “Risk Factors” section. Additional risks and uncertainties not currently known to the Company or the Directors or the Proposed Director or that the Company or the Directors or the Proposed Director consider to be immaterial as at the date of this document may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Net Asset Value and/or the market price of the Ordinary Shares.

RISKS RELATING TO THE GROUP

Investee company valuations are subject to change

The Group’s investments include securities and other obligations for which no or only a limited market exists or which are restricted as to their transferability under applicable laws and/or the relevant investment documentation. While the valuations of the Group’s investments have been in compliance with IFRS and will be in compliance with IFRS and UK IFRS on the basis of market value in accordance with the International Private Equity and Venture Capital Valuation Guidelines, these investments are extremely difficult to value accurately. Third party pricing information may not be available for certain investment positions held by the Group or may not be available in a timely manner, in which case the Net Asset Value will be published based on estimated values and on the basis of the information available to the Company at the time. The Company may base the valuations that it uses in calculating its Net Asset Value upon pricing information and valuations furnished to the Group by third parties. Absent bad faith or manifest error, valuations determined in accordance with the Company’s valuation policy will be conclusive and binding. Further, such valuations cannot by their nature be exact and are liable to change. Such valuation estimates may be unaudited and may not be subject to independent verification or other due diligence. The aggregate value of the Group’s investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may materially adversely affect the market price of the Ordinary Shares.

The Group’s investments are at an early stage and carry inherent risk

Many of the Group’s investments are in early stage companies which may be subject to one or more of the following risks (or a combination of these risks):

- The technology and offering developed by these businesses may fail and/or these businesses may not be able to develop their offering or technology into commercially viable products, services or technologies.
- Early-stage businesses may not be able to secure subsequent rounds of funding which may restrict their ability to fund on-going research and the development and commercialisation of their offering and technology. Any such lack of funding could result in a business being forced to sell off its assets.

- These businesses may not be able to source and/or retain appropriately skilled personnel. In particular, they may not have the financial resources to compete with the salary and other incentivisation packages offered by their competitors or other scientific and technology based organisations.
- Competing offerings and technologies may enter the market which may adversely affect a business's ability to commercialise their intellectual property or such businesses may not have been able to adequately protect their intellectual property (whether due to lack of financial resource or otherwise).

There is no certainty that any of the businesses will: (i) reach the stage where economic benefits resulting from expenditure on research activities become probable; or (ii) generate any, or any significant, returns (e.g. dividends, proceeds from a share sale or a return on capital from an exit event) for their shareholders (including the members of the Group) or that the Group will be able to secure a profitable exit from its investment in any or all of the Group's portfolio businesses. This could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

Proceeds from the sale of investments may vary substantially from year to year

There can be no guarantee as to when an investment will ultimately be realised and whether it will be realised for an amount exceeding the amount invested by the Group. Some or all of the Group's investments may be difficult to realise in a timely manner, or at an appropriate price, or at all. If the Group is unable to realise value from its investments or is delayed from realising such value in a timely manner, this could have a material adverse effect on the Company's business (including its ability to re-invest such proceeds), financial condition and/or results of operations and/or the market price of the Ordinary Shares.

The Group and its investee companies are subject to competition risk

The execution of the Company's investment policy depends primarily on the ability of the Group to identify opportunities to make investments and to convert those opportunities. Increasingly, as in part demonstrated by higher valuations being achieved on recent investment rounds, more entities are competing with the Group for investment opportunities, including public and private investment funds, commercial and investment banks, commercial finance companies, business development companies and operating companies acting as strategic buyers.

The Company believes that competition for investment opportunities is based primarily on pricing, terms and structure of a proposed investment, certainty of execution and in some cases, brand or reputational presence. Some of the Group's competitors will have access to funding sources that are not available to the Company. In addition, some of the Group's competitors may have higher risk tolerances, higher profile brands or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Group.

The competitive pressures faced by the Group, together with a greater focus on technology companies since the beginning of the COVID-19 pandemic, may prevent it from identifying and securing investments that are consistent with its investment objectives or that generate attractive returns for Shareholders. Moreover, increased competition can lead to increased pricing in respect of the Group's investment into investee companies. The Group may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Group may experience decreased rates of return and increased risks of loss if it matches investment prices, structures and terms offered by competitors.

The Company can offer no assurance that competitive pressures will not have a material adverse effect on its business, financial condition and/or results of operations and/ or the market price of the Ordinary Shares.

Need for further investment

The Company may require additional capital in the future for expansion activity and/or business development and/or potential follow-on investments in existing investee companies, whether from equity or debt sources, especially if the Company's equity realisations from investee companies are not sufficient to fund new investments. If the Company is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion activity

and/or business development. If the Company does not have sufficient additional capital, the Group will not be able to participate in subsequent funding rounds carried out by portfolio businesses which will result in the interest which the Group holds in such businesses being diluted which, as a result of the Group receiving a smaller percentage of any returns generated by such portfolio business, may have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares. The Company may enter into arrangements with certain institutional investors to provide it with the opportunity to co-invest with the Group in investee companies. Such arrangements may be restricted, particularly the rules governing related party transactions which may limit the manner and extent to which a Shareholder can act together with the Company in relation to any joint investment arrangement.

UK exit from the European Union

The process of the United Kingdom leaving the European Union was completed on 31 December 2020 ("**Brexit**"). Brexit has set in train a sustained period of uncertainty both in the United Kingdom and the European Union. As a result, investors face a degree of ongoing uncertainty and potential risk regarding, *inter alia*, the United Kingdom and European economies, currency movements, volatility in the UK and global markets, and the financial services regulatory regime to which the Group is currently subject in the United Kingdom. While the full impact of Brexit continues to evolve, this prolonged uncertainty regarding aspects of the United Kingdom and European economy could damage the confidence of investee companies' customers and investors, which could result in an adverse effect on the financial condition, results of operations and prospects of the Company and its investee companies.

Future financial services regulation between the UK and the EU is uncertain, and Brexit may have a significant adverse effect on the ability of the Company to raise capital from EU investors and for the Group to acquire assets or pursue investment opportunities in the EU in future. Esprit Capital is now classified as a third-country AIFM pursuant to the EU AIFM Directive and no longer has access to the marketing and management passport regime under such directive. In order to access investors in EEA countries, Esprit Capital will need to market the Company's Ordinary Shares via the National Private Placement Regime ("**NPPR**") under Article 42 of the AIFMD. The implementation of the NPPR varies across the member states, as such, can be a lengthy process and lead to additional costs associated with registration and maintaining ongoing compliance within the individual regulatory regimes. This may therefore restrict the Company's ability to reach investors in certain EEA countries.

There can be no assurance that the foregoing developments will not have a negative effect on the Group's operations and investment objectives or on its investments in investee companies in the United Kingdom and Europe. A potential downgrading of the United Kingdom's sovereign credit rating (as at the latest practicable date, Moody's: Aa3, S&P: AA) as a result of Brexit may also have an impact on the performance of the Group and its investee companies.

The Company is subject to risks associated with developments in the technology sector

The success of the Company is based on the ability of its investee companies to successfully identify, develop and take to market viable products in particular sub-sectors of the technology sector (namely enterprise technology, consumer technology, hardware and deeptech and digital health and wellness). Whilst this risk is mitigated by the diversification limits set out in the Company's investment policy, the Company cannot be certain that such a successful outcome is possible in relation to the business and activities of each of its investee companies. The technology sub-sectors in which the Group invests are characterised by rapid technological changes, frequent new product introductions and enhancements and evolving industry standards. The Group's investee companies may encounter unforeseen operational, technical and other challenges. This may in turn have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

The Group's investments may be adversely affected by poor performance of a particular sector or industry

The Group's investments are diversified by technology sub-sector (namely enterprise technology, consumer technology, hardware and deeptech and digital health and wellness) and industry, subject to market constraints and the discrete nature of investment opportunities within the technology sector. The diversification of its investments is intended to mitigate the Group's exposure to adverse

events associated with specific investments and technology sub-sectors. Furthermore, some of the Group's investee companies may have significant funding requirements in the future: venture capital is a cyclical industry, and the success of these investee companies may be influenced by the market's appetite for investment in early stage companies. The Company's returns may be adversely affected by macro-economic underperformance or by the unfavourable performance of particular sectors or industries, if they affect the performance or prospects of the Group's portfolio. Should the Company's returns be adversely affected by virtue of such poor performance, or should such adverse effect be amplified by concentration of the portfolio to any particular industry or technology sub-sector, this would have a material adverse effect on the value of the portfolio, the Company's financial condition, results of operations and prospects, which could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

The value of the Group's portfolio value may be dominated by a single or limited number of companies

A large proportion of the overall value of the portfolio of investee companies held by the Group may at any time be accounted for by one, or very few, investee companies. The Group's core 17 investments together accounted for approximately 68% by value of the Group's portfolio as at 31 March 2021. Accordingly, there is a risk that if one or more such investee companies experience difficulties or suffer from poor market conditions and if, as a result, their value were to be adversely affected, this would have a material adverse impact on the overall value of the Group's portfolio of investee companies. Any material adverse impact on the value of the Group's portfolio of investee companies or material detrimental effect on the revenue received by the Group could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or the market price of the Ordinary Shares.

The Group will hold non-controlling interests in the investment portfolio businesses

The Group holds non-controlling interests in its investments and, therefore, has a limited ability to protect its position in such investments. The Group's portfolio includes significant investments in which the Group is a non-controlling investor with relatively little ability to influence the operation of the investee companies in which it invests. This could materially adversely affect the Company's business, financial condition, results of operations and/or the market price of the Ordinary Shares.

Fluctuations in foreign exchange rates may adversely affect the performance of the Group's portfolio and the Company's total return and Net Asset Value

The Company does not currently intend to enter into any hedging arrangements to mitigate the Group's exposure to fluctuations in exchange rates. The Ordinary Shares are quoted in Sterling (and in Euros on the Euronext Growth Market and, following Admission, Euronext Dublin Market) and the accounts of the Group are reported in Sterling. However, certain of the Group's investments are made or operate in currencies other than Sterling and the Group may make certain of its future investments in other currencies and in companies that use other currencies as their functional currency, including Euros. Accordingly, changes in exchange rates may have an adverse effect on the performance, valuations and/or revenues of the Group's investments and on its investments' ability to make debt payments, pay dividends or make other distributions to investors such as the Group.

The Group may not be able to retain and attract investment team members and support staff with the right skills and experience

The ability of the Company to achieve its investment objectives is significantly dependent upon the expertise of the Executive Directors and employees, as well as the ability of the Group to attract and retain other suitable staff. The impact of the departure for any reason of one or more key individuals from the Group on the ability of the Company to achieve its investment objectives cannot be determined and may depend on, amongst other things, the ability of the Group to recruit other individuals of similar experience and credibility. This could materially adversely affect the Company's business, financial condition, results of operations and/or the market price of the Ordinary Shares.

Esprit Capital, Encore Ventures or Elderstreet Investments cease to be authorised as fund managers by the FCA

Esprit Capital, Encore Ventures and Elderstreet Investments are authorised and regulated by the FCA as a 'full scope' UK AIFM (in the case of Esprit Capital) and small authorised UK AIFMs (in respect of Encore Ventures and Elderstreet Investments). A 'full scope' UK AIFM is subject to the full requirements of UK AIFMD while a small authorised UK AIFM is required to comply with the requirements set out in Article 3 of AIFMD as amended by UK AIFMD (which mainly relate to regulatory reporting). Should any of Esprit Capital and/or Encore Ventures and/or Elderstreet Investments cease to be authorised and regulated by the FCA then they would no longer be authorised to act as the investment manager of the Esprit Funds and the UK AIFM to the Company (in the case of Esprit Capital) or the Encore Funds (in respect of Encore Ventures) or Elderstreet VCT (in respect of Elderstreet Investments). If that was to occur, the Group would: (i) lose one of its revenue streams; and (ii) be required to appoint a replacement UK AIFM which would adversely affect the business, results of operations or financial condition of the Group.

Cyber security incidents may affect the operations and reputation of the Group

The Group, its service providers and investee companies are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Directors or Proposed Director, any member of the Group, the Depositary, any other service providers such as financial intermediaries or any investee company of the Group have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company's ability to calculate its Net Asset Value; the inability of Shareholders to transact business with the Company; the inability of customers and/or suppliers to transact business with the investee companies of the Group, violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed by the Group which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

Incentive arrangements could encourage riskier investment choices that could cause significant losses for the Group

The compensation of some investment professionals employed by the Group is, in part, based upon the performance of the investments that the Group makes which are typically in early stage technology companies. Such compensation arrangements may create an incentive for the Group to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. Resulting losses by the Group could have a material adverse effect on the performance of the Group and/or the market price of the Ordinary Shares.

Use of borrowings

The Company has entered a revolving credit facility with Silicon Valley Bank and Investec Bank plc. The Group has the ability to use borrowings to fund future growth plans of investee companies. While the use of borrowings should enhance the total return on the Ordinary Shares where the return on the Group's portfolio exceeds the cost of borrowing, it will have the opposite effect if the return on the Group's portfolio is lower than the cost of borrowing. The use of borrowings by the Group may increase the volatility of the Net Asset Value per Ordinary Share.

To the extent that a fall in the value of the Group's portfolio causes gearing to rise to a level that is not consistent with, or breaches, the Company's borrowing and gearing policy, borrowing limits or

loan covenants, the Group may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the relevant investment, as well as a reduction in income from the Group's portfolio.

Any increase in Sterling interest rates could have an adverse impact on the Company's cost of borrowing or its ability to secure borrowing facilities and could result in a reduction in the price of the Ordinary Shares.

The Group may also find it difficult, costly or not possible to refinance future indebtedness or find that terms become more expensive. For example, the Group may be unable to enter into an agreement to secure refinancing on similar terms or on a timely basis or at all. Further, if interest rates are higher when any relevant indebtedness is refinanced, the Group's finance costs could increase. Any of the foregoing events may have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders and may lead to Shareholder dilution as a result of further equity capital raisings by the Company or the forced sales of assets.

The Group may incur debt with a floating rate of interest and be exposed to interest rate risk due to fluctuations in prevailing market rates. Changes in interest rates may also affect the valuation of the investment portfolio by impacting the valuation discount rate. Whilst it does not currently do so, the Group may hedge or partially hedge interest rate exposure on borrowings. However, such measures may not be sufficient to protect the Group from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are unhedged, interest rate movements may lead to mark-to-market movements which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses. In addition, hedging arrangements expose the Group to credit risk in respect of the hedging counterparty. Increased exposure to interest movements may have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

Due diligence risks

Prior to making an investment in an investee company, the Company will undertake commercial, financial, technical and legal due diligence on the relevant investee company. Notwithstanding that such due diligence is undertaken, it may not uncover all of the material risks affecting such project and/or such risks may not be adequately protected against in the associated investment documentation. The Group may acquire, or acquire interests in, investee companies with unknown liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities. If an unknown liability was later asserted in respect of the relevant investee company, the relevant investee company might be required to pay substantial sums to settle it or enter into litigation proceedings, which could adversely affect cash flow and the result of its operations. Accordingly, in the event that material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the investee company and consequently a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

The Group will have reliance on due diligence reports prepared by professionals appointed by the Company in relation to an investee company. There is a risk that, notwithstanding this reliance relationship, the relevant professional adviser has limited its liability or is otherwise able to avoid liability to the Company. Should that be the case, the Group may be unable to recover losses suffered as a result of its reliance on such professional adviser.

RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY'S OPERATING ENVIRONMENT

The Group may be subject to certain epidemic-related risks, such as the coronavirus (COVID-19)

The operations and performance of investee companies in which the Group may invest, or acquire in the future, may be affected by the impact on the global economy and businesses that COVID-19 (or another pandemic or epidemic) is currently having or may have in the future. Whilst the COVID-19 pandemic helped to accelerate the transition to digital which benefitted many of the Group's portfolio companies during the year to 31 March 2021, portfolio companies focussed on certain sub sectors such as the travel technology sector and the events management sector underperformed

during the pandemic. Global capital markets have seen significant volatility as COVID-19 continues to have sustained impact on business across the world. Such volatility and downturn could have an impact on the liquidity of the Ordinary Shares. Investors should be aware that if any of the risks identified above materialise, it could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

Changes in laws or regulations governing the Group and its business may adversely affect the business and performance of the Group

The Group and its investee companies are subject to laws and regulations enacted by national and local governments. From Admission, the Company will also be required to comply with certain legal and regulatory requirements that are applicable to UK investment companies whose shares are admitted to trading on the Main Market and Euronext Dublin Market (including the Listing Rules, the Irish Listing Rules, the Disclosure Guidance and Transparency Rules and the EU Transparency Directive). The Company is also subject to, and will be required to comply with, certain regulatory requirements set out in UK domestic legislation, rules and regulation and, as a result of its Euronext Dublin Market listing, EU and Irish legislation, many of which could directly or indirectly affect the management of the Company.

The laws and regulations affecting the Group and its investee companies are evolving and any changes in such laws and regulations, including any policies that prevent or provide additional hurdles to cross-border M&A activity or raising new tariffs impacting investee companies' supply chains, may have a material adverse effect on the ability of the Company and/or investee companies to carry on their businesses. Any such changes could have a material adverse effect on the performance of the Group, the Net Asset Value, the Company's earnings and returns to Shareholders.

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure, could adversely affect the value of investments in the Company's portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and taxation of Shareholders are based upon current UK and/or Irish tax law and published practice, any aspect of which is in principle subject to change that could adversely affect the ability of the Company to successfully pursue its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

Prospective investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

Regulatory and legislative breaches

As above, the Company is subject to laws and regulations enacted by national and local governments and will be required to comply with certain legal and regulatory requirements that are applicable to UK companies whose shares are admitted to trading on the Main Market and Euronext Dublin Market. The Company is also subject to certain regulatory requirements set out in UK domestic legislation, rules and regulations and EU legislation.

In the event that the Company or member of the Group is affected by a material regulatory or legislative failing (such as a breach of FSMA and/or the UK AIFM Regime and/or MAR/EU MAR/Irish MAR), the Company or Group could be subject to regulatory restrictions, fines or other claims and remedies. Sanctions such as these could affect the Company's ability to carry on its business and/or invest in investee companies and therefore on the Company's income and any return to Shareholders. In addition, the Group's reputation could be negatively impacted which may affect the Company and the Group's ability to raise additional funds. This could have a material adverse impact on the market value of the Ordinary Shares.

In accordance with the laws and regulations which apply to the Company, the Company has certain financial reporting and filing obligations. Any failing in respect of financial statements of the Company or the Group, including accuracy, timeliness of filing and preparation in line with relevant legislative requirements, could result in significant financial loss (including but not limited to regulatory sanctions and/or penalties) and significant reputational damage to the Company and/or

the Group. This could affect the Company's and the Group's ability to raise and retain third-party-funds, and the Company's and the Group's ability to achieve its investment objectives and/or to achieve its returns to Shareholders.

RISKS RELATING TO THE ORDINARY SHARES

General risks affecting the Ordinary Shares

The value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested. The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of the underlying Net Asset Value per Ordinary Share and may trade at a discount or premium to Net Asset Value per Ordinary Share at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from the Net Asset Value per Ordinary Share.

It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Ordinary Shares

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares and the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect the underlying Net Asset Value per Ordinary Share.

While the Board retains the right to effect repurchases of Ordinary Shares, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors and Proposed Director so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to the underlying Net Asset Value per Ordinary Share. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value per Ordinary Share or at all.

The Company may issue additional Ordinary Shares that dilute existing Shareholders

Following Admission, subject to legal and regulatory requirements, the Company may seek to issue additional Ordinary Shares. Any additional issuances by the Company, or the possibility of such issuances, may cause the market price of the existing Ordinary Shares to decline. Furthermore, the relative voting percentages of existing holders of Ordinary Shares who cannot or choose not to participate will be diluted by further issues of Ordinary Shares.

Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial number of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

The Ordinary Shares will be subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions

The Ordinary Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. Moreover, the Ordinary Shares will only be offered or sold in due course outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act), in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors and Proposed Director: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit

plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940, as amended and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), the Directors and Proposed Director may require the holder of such shares to dispose of such shares and, if the Shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Ordinary Shares and may have a material adverse effect on the market value of the Ordinary Shares.

PART 3

IMPORTANT INFORMATION

GENERAL

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares. This document may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Ordinary Shares to any person in any jurisdiction.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with any offering or sale of Ordinary Shares. Without prejudice to the Company's obligations under FSMA, the Prospectus Regulation Rules, the Irish Prospectus Rules the Disclosure Guidance and Transparency Rules, the EU Transparency Directive, the Prospectus Regulation, the EU Prospectus Regulation, MAR, EU MAR, Irish MAR and the Listing Rules, neither the delivery of this document nor any purchase of Ordinary Shares, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

The Company will make an application to the FCA for all of the issued Ordinary Shares to be admitted to the premium listing segment of the Official List as a closed-ended investment fund and to the London Stock Exchange for all of the Ordinary Shares to be admitted to trading on the Main Market. This means the Company will be required to comply with those requirements in Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing) and other requirements in the Listing Rules that are expressed to apply to such securities with a premium listing. Application will also be made for all of the issued Ordinary Shares to be admitted to a secondary listing on the Irish Official List and to trading on the Euronext Dublin Market, a regulated market operated by, and the main securities market of, Euronext Dublin. This means that the Company is only required to comply with a subset of the Irish Listing Rules, comprising the minimum standards specified in certain EU legislation.

UNITED STATES

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Ordinary Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it. The Company has not been and does not intend to become registered with the SEC as an "investment company" under the U.S. Investment Company Act and related rules. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies none of which will be applicable to the company or its investors. However, if the Company were to become subject to the U.S. Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the U.S. Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the

Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the U.S. Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment.

The Company and certain of its subsidiaries and subsidiary undertakings may be treated as “passive foreign investment companies” (often referred to as “**PFICs**”) for U.S. federal income tax purposes and could be PFICs in future years. For each taxable year that the Company and/or any of its subsidiaries and subsidiary undertakings is/are classified as PFICs, holders of Ordinary Shares that are U.S. taxpayers may be subject to adverse U.S. federal income tax consequences in respect of their investment in the Ordinary Shares. Furthermore, a “qualified electing fund” election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to U.S. taxpayers as a result of any PFIC classification, may not be available although the Company will, if requested, reasonably endeavour to provide the information needed to make such an election. A “mark-to-market” election may be available, however, if the Ordinary Shares are regularly traded. Prospective purchasers of Ordinary Shares that are U.S. taxpayers are urged to consult with their own tax advisers concerning the U.S. federal income tax considerations associated with acquiring, owning and disposing of Ordinary Shares in light of their particular circumstances.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within PROD 3 of the FCA’s Product Intervention and Product Governance Sourcebook (the “**Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Ordinary Shares to be admitted to trading pursuant to Admission are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in COBS 3.5 and 3.6 of the FCA’s Conduct of Business Sourcebook, respectively; and (ii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and (b) an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA’s Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

PRIIPS REGULATION

In accordance with the PRIIPs Regulation, a Key Information Document in respect of the Ordinary Shares has been prepared by the Company and is available to investors at www.draperesprit.com. If you are distributing the Ordinary Shares, it is your responsibility to ensure that the relevant Key Information Document is provided to any clients that are “retail clients”.

The Company is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and neither Numis nor Goodbody is a manufacturer for these purposes. Neither Numis or Goodbody makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of any Key Information Documents prepared by the Company nor

accepts any responsibility to update the contents of any Key Information Documents in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such Key Information Documents to future distributors of Ordinary Shares. Numis and Goodbody and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of any Key Information Documents prepared by the Company.

DATA PROTECTION

The information that a prospective investor in the Company provides in documents in relation to an acquisition of Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the relevant data protection legislation and regulatory requirements of the United Kingdom (the "**Data Protection Legislation**"); and (b) the Company's privacy notice, a copy of which is available for consultation on the Company's website at www.draperesprit.com ("**Privacy Notice**") (and if applicable any other third party delegate's privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Company's Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or of any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company's Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which are set out in the Privacy Notice or shall be otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which are set out in the Privacy Notice or shall be otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

PART 4

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF FINANCIAL INFORMATION

The financial statements of the Group referred to in this document have been prepared in accordance with the requirements of IFRS and the Prospectus Regulation Rules, the Irish Prospectus Rules, the Listing Rules and the Irish Listing Rules. All future financial information for the Group will be prepared under UK IFRS and IFRS.

The financial statements of the Company referred to in this document have been prepared in accordance with the requirements of Financial Reporting Standard 101, Reduced Disclosure Framework, and the Companies Act as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a “qualifying entity” as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IFRS in conformity with the Companies Act.

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

UK IFRS

UK legislation, in conformity with the Companies Act 2006, has adopted all IFRSs issued by the International Accounting Standards Board as adopted by the EU on or before the 31 December 2020. On 31 December 2020, UK and EU-adopted IFRS were therefore aligned. From 1 January 2021, any new or amended international financial reporting standards will require separate independent endorsement in the UK to become part of UK IFRS.

PRESENTATION OF MARKET AND OTHER DATA

Market and economic data used throughout this document is sourced from various independent sources. The Company confirms that such data has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this document to “£”, “pence” or “GBP” are to the lawful currency of the UK, all references in this document to “Euro” or “€” are to the currency adopted by those nations participating in the third stage of the economic and monetary union provisions of the Treaty on European Union, signed at Maastricht on 7 February 1992 and all references in this document to “USD” or “US\$” are to the lawful currency of the United States.

DEFINITIONS

Capitalised terms contained in this document shall have the meanings ascribed to them in Part 14 (Definitions) of this document, save where the context indicates otherwise.

EUROPEAN UNION LEGISLATION

If and when a European Union instrument is incorporated into the law of the United Kingdom, a reference to that European Union instrument in this document shall, except where the context requires otherwise, mean the European Union instrument as so incorporated and any enactment, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces or consolidates it for the purposes of the law of the United Kingdom.

WEBSITES

Without limitation, neither the contents of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA or the Central Bank of Ireland.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and the Republic of Ireland and are subject to changes therein.

FORWARD LOOKING STATEMENTS

This document contains forward looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules and the EU Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Regulation Rules, the Irish Prospectus Rules, the Listing Rules, the Irish Listing Rules, the Disclosure Guidance and Transparency Rules, the Irish Transparency Rules, the Prospectus Regulation, the EU Prospectus Regulation, MAR, Irish MAR and EU MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 19 of Part 13 of this document.

PART 5

EXPECTED TIMETABLE, ADMISSION STATISTICS AND DEALING CODES

Expected Timetable

Publication of this document	19 July 2021
Ordinary Shares cease to be traded on AIM and Euronext Growth	7.00 a.m. on 23 July 2021
Admission and commencement of dealings in Ordinary Shares on the Main Market and the Euronext Dublin Market	8.00 a.m. on 23 July 2021

All references to time in this document are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company via RIS.

Admission Statistics

No. of Ordinary Shares ⁽¹⁾	152,999,853
No. of options to subscribe for new Ordinary Shares in issue ⁽¹⁾	4,631,041
Market price per Ordinary Shares ⁽²⁾	£9.40
Market capitalisation at Admission ⁽²⁾	£1.438 billion

⁽¹⁾ As at 16 July 2021, the latest practicable date prior to the publication of this document.

⁽²⁾ Based on the mid-market closing price of the Ordinary Shares as traded on the London Stock Exchange on 16 July 2021, being the latest practicable date prior to the publication of this document. There can be no assurance that the market price of an Ordinary Share will trade at the same price as they previously traded on AIM and Euronext Growth.

Dealing Codes and LEI

The dealing codes for the Ordinary Shares are:

ISIN	GB00BY7QYJ50
SEDOL (LSE)	BY7QYJ5
SEDOL (Euronext Dublin)	BYZY4T1
TIDM (LSE)	GROW
TIDM (Euronext Dublin)	GRW

The LEI for the Company is 213800IPCR3SAYJWSW10.

PART 6

DIRECTORS, PROPOSED DIRECTOR AND ADVISERS

Directors	Karen Slatford (<i>Non-Executive Chair</i>) Martin Michael Arthur Davis (<i>Chief Executive Officer</i>) Stuart Malcolm Chapman (<i>Chief Portfolio Officer</i>) Benjamin David Wilkinson (<i>Chief Financial Officer</i>) Richard Fowler Pelly (<i>Non-Executive Director</i>) Grahame David Cook (<i>Non-Executive Director and Senior Independent Director</i>)
Proposed Director	Gervaise Slowey (<i>Proposed Non-Executive Director</i>) all of the registered office:
Registered Office of the Company	20 Garrick Street London WC2E 9BT
AIFM	Esprit Capital Partners LLP 20 Garrick Street London WC2E 9BT
Joint Sponsor (LSE) and Joint Corporate Broker	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
Joint Sponsor (LSE), Sponsor (Euronext Dublin) and Joint Corporate Broker	Goodbody Stockbrokers Unlimited Company Ballsbridge Park Ballsbridge Dublin 4 D04 YW83 Ireland
Solicitors to the Company (as to English law)	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Solicitors to the Company (as to Irish law)	Maples and Calder (Ireland) LLP 75 St. Stephen's Green Dublin 2 Ireland
Solicitors to the Joint Sponsors and Joint Corporate Brokers (as to English law)	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Solicitors to the Joint Sponsors and Joint Corporate Brokers (as to Irish law)	A&L Goodbody LLP International Financial Services Centre North Wall Quay Dublin 1 D01H104 Ireland
Depositary	Aztec Financial Services (UK) Limited Forum 3 Solent Business Park Parkway South Whiteley Fareham PO15 7FH

Company Secretary

Prism CoSec Limited
Highdown House
Yeoman Way
Worthing
West Sussex
BN99 3HH

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Reporting Accountants

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

PART 7

BUSINESS DESCRIPTION

This Part 7 (Business Description) should be read in conjunction with the more detailed information contained in this document including the financial and other information appearing in Part 11 (Operating and Financial Review). Where stated, financial information in this section has been extracted from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

1 OVERVIEW

1.1 Introduction

Draper Esprit is a leading venture capital firm investing in and developing high growth digital technology businesses, which was admitted to AIM and the Euronext Growth Market (formerly the Enterprise Securities Market) in June 2016. The Company offers an increasingly broad range of funds, direct investments and tailored investment opportunities. Draper Esprit's platform provides access to high quality business leaders, advisory teams and operational specialists to offer transformative support to help investee companies achieve their growth ambitions. The Company is actively involved in the long term growth of its investee companies, by taking minority positions with customary investor protections, including the appointment of an investor director on the boards of a large number of the investee companies.

The Company has a proven track record and an ambitious asset management strategy focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment which Draper Esprit is able to provide via its balance sheet and growing base of third party funds.

Draper Esprit's balance sheet investments are managed by Esprit Capital, a wholly owned subsidiary undertaking incorporated in England and Wales. In addition, Encore Ventures, another wholly owned subsidiary, manages, as at 31 March 2021, £175.6 million of EIS funds and Elderstreet Investments, a further wholly owned subsidiary, manages, as at 31 March 2021, a £55.4 million VCT fund. The EIS funds and the VCT fund co-invest alongside Draper Esprit where investments meet the relevant Enterprise Investment Scheme/Venture Capital Trust eligibility requirements. The Company's co-investment strategy allows the Company to lead more deals and increase the total size of investment in investee companies. Draper Esprit recognises the opportunity to link public market/pension fund capital to the venture capital asset class and is building multiple investment strategies (Growth Fund, Seed Fund of Funds) to build third party AUM and fee income alongside the growth of the Company balance sheet. Further information relating to the Seed Fund of Funds strategy are set out at paragraph 2.1 of this Part 7 of this document.

1.2 Portfolio

Draper Esprit's balance sheet has a portfolio of 71 minority interests in companies which, as at 31 March 2021, had a Gross Portfolio Value of c.£984 million (31 March 2020: c.£703 million). 17 core holdings represent approximately 68% of the Gross Portfolio Value. The core holdings as at 31 March 2021 comprised Trustpilot, Graphcore, UiPath, Ravenpack, M-Files, Aircall, Revolut, Smava, Perkbox, Ledger, ThoughtMachine, Aiven, Cazoo, SportPursuit*, Lyst, Endomag and Freetrade. A summary overview of the portfolio as at 31 March 2021 is also set out below.

Sector	Total no. of companies	% split (based on NAV)	% split (based on no. of companies)
Enterprise technology	26	35	37
Consumer technology	23	25	32
Hardware & deeptech	15	37	21
Digital health & wellness	7	4	10
Total	71	100	100

* since 31 March 2021, the Group has realised a further £22.8 million from the sale of its investment in SportPursuit as a consequence of an investment by private equity firm bd-capital.

In order to, *inter alia*, generate new deal flow for Draper Esprit's balance sheet and its third party funds and diversify the Group's returns, Draper Esprit had, at 31 March 2021, also indirectly invested in over 530 companies via 35 third party seed funds, with total commitments of c.£67.2 million, of which c.£ 25.5 million had been drawn at that date.

1.3 History of the Group

In 2006, Simon Cook and Stuart Chapman set up Esprit Capital (the investment manager of the Esprit Funds and an FCA authorised and regulated fund manager) and led a management buyout of its venture capital business from Cazenove (with the underlying fund renamed as Esprit Fund 1) and the acquisition of the listed venture capital business of Prelude Ventures. These transactions added a portfolio of approximately 52 companies and Prelude Ventures operated as a listed vehicle until 2008 when it was taken private by Esprit Capital.

Esprit Capital was rebranded as DFJ Esprit in 2007 when the Silicon Valley-based venture capital firm, Draper Fisher Jurvetson, founded by Tim Draper, acquired a minority stake in Esprit Capital and Esprit Capital became Draper Fisher Jurvetson's exclusive partner in Western Europe.

In 2009, Esprit Capital acquired the European venture capital management business of 3i plc (established as the Esprit Fund 3(i) investment management business).

Esprit Capital closed Esprit Fund 3 (a fund established to make primary investments with capital of €80 million plus an additional €15 million of co-investment capital from Draper Fisher Jurvetson and the partners of Esprit Capital) to new investors in 2010. The Group also opened a Dublin office in the same year as a branch of Esprit Capital.

In 2015, the Group rebranded as Draper Esprit as part of the overall rebranding of the Draper Venture Network under the leadership of Tim Draper.

In June 2016 the Ordinary Shares were admitted to trading on AIM and the Euronext Growth Market (formerly the Enterprise Securities Market) concurrent with c.24 million Ordinary Shares issued as part consideration for the acquisition of Esprit Capital and Esprit Fund 3 and a c.£79 million fundraising by way of a placing and subscription of new Ordinary Shares at £3.00 per share resulting in Ordinary Shares worth approximately £103 million being issued to investors at such time.

The Company raised c.£100 million in June 2017 by way of a placing and subscription of new Ordinary Shares at £3.24 per share. Later that year, Draper Esprit launched its seed fund strategy.

In May 2018 the Company raised c.£115 million by way of a placing and subscription of new Ordinary Shares at £4.20 per share (with such shares being issued in June 2018 following shareholder approval) and in June 2018, it entered into a partnership with Earlybird (see paragraph 2.1 below), taking a significant stake in Earlybird's Digital West Early Stage VI fund at the same time.

The Company raised a further c.£100 million in January 2019 at £5.30 per share and acquired a 27% interest in Earlybird Fund IV for approximately €63 million and separately a 5% interest in Earlybird DEF for approximately US\$20 million (with such shares being issued in

February 2019 following shareholder approval). As a result, Draper Esprit acquired underlying holdings in Smava, Peak Games, Nfon, B2X, Socialbakers and UiPath along with underlying holdings in 13 other companies.

In October 2020 the Company raised c.£110 million by way of a placing of new Ordinary Shares at £5.55 per share and in June 2021, the Company raised a further c.£111 million by way of a placing of 13,299,278 new Ordinary Shares to institutional investors (c.£106 million), and a retail offer of 603,500 new Ordinary Shares made by the Company for retail investors in the UK via the PrimaryBid Limited platform (c.£5 million), at £8.00 per share to raise further funds for deployment into a strong pipeline of potential future investment opportunities.

1.4 Performance highlights

Some of the Group's performance highlights for the year ended 31 March 2021 include:

- Net Asset Value per Ordinary Share increase by c.34% to £7.43 (year to 31 March 2020: £5.55);
- Gross Portfolio Value increased by c.40% to £984 million (year to 31 March 2020: £703 million);
- £128 million invested by the Group (year to 31 March 2020: £90 million) and a further £34 million was invested by EIS/VCT (year to 31 March 2020: £38 million);
- Net Asset Value of £1,033 million (31 March 2020: £660 million);
- Profit after tax of £267 million (year to 31 March 2020: £40 million);
- Cash realisations of £206 million (year to 31 March 2020: £40 million);
- Gross portfolio fair value growth of 51% with a £359 million fair value movement in the year (31 March 2020: £59 million, 10%);
- Operating costs (net of fee income) continue to be less than the targeted 1% of NAV; and
- £161 million available cash resources at year-end (31 March 2020: £34 million) and undrawn debt facilities of £60 million (31 March 2020: £5 million undrawn), further complemented by c.£43 million from EIS and VCT funds (31 March 2020: c.£50 million).

Further detail regarding the financial performance of the Group is set out at Part 11 (Operating and Financial Review) of this document.

2 BUSINESS MODEL, SECTORS AND STRATEGY

2.1 Model

Multiplatform strategy

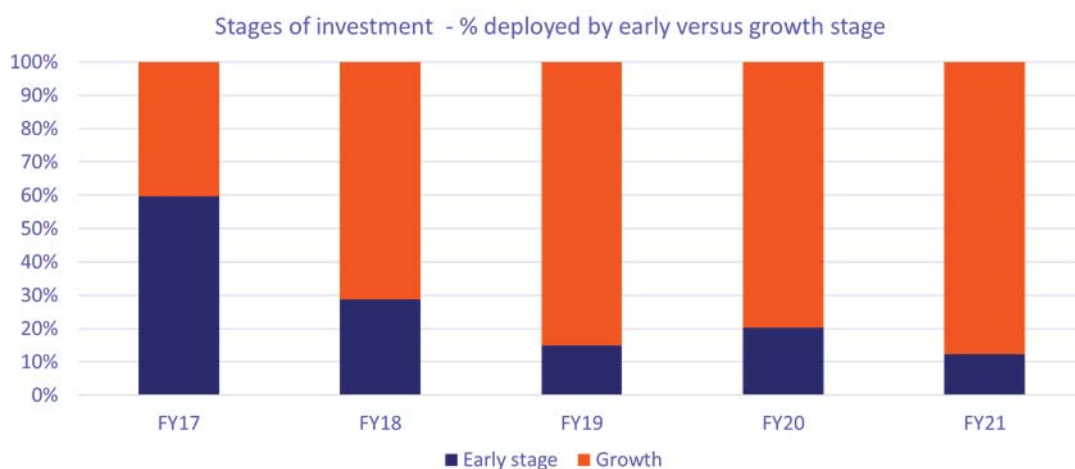
In the past four years, Draper Esprit has scaled its platform to enable investors to access some of the best deal flow across Europe. The Group's co-investment partners (being the Encore Funds (which raise funds from investors who are eligible to claim EIS income tax relief in the UK) and Draper Esprit VCT plc (which raise funds from investors who are eligible to claim VCT income tax relief in the UK)) bring third-party capital, enabling the Group to build a more material stake in companies, while also increasing Draper Esprit's reach into some of the best companies. Meanwhile, the management and performance fees received from the third-party funds offset management costs for Shareholders.

Further details of the tax regimes under which the Encore Funds and Draper Esprit VCT plc operate are set out at paragraphs 15.6 and 15.7 of Part 13 of this document respectively. Shareholders should note that the tax reliefs available to investors in the Encore Funds and Draper Esprit VCT plc are not available in respect of an investment in the Company.

The Group's balance sheet forms the core investment vehicle for Draper Esprit, investing across Europe in series A and series B+ stage deals. In the UK, Draper Esprit EIS and Draper Esprit VCT invest alongside the Group in companies that are eligible for EIS/VCT relief. In Europe, investments are direct and also through/alongside Earlybird.

Over 70% of the deals Draper Esprit does are invested in larger and growth stage deals at series B stage onwards (either follow-on from the Group's emerging portfolio or new companies). These deals are done, predominantly, through the Group's balance sheet. The patient evergreen capital model of a listed vehicle also provides additional flexibility to build stakes in the top performing investments over time as opportunities arise.

Percentage split of total amounts deployed by the Company by financial year



Source: Draper Esprit plc

Draper Esprit VCT

In 2016, Draper Esprit acquired a 30.77% stake in leading VCT manager Elderstreet Holdings Limited, followed by the remaining stake in February 2021. Following these acquisitions, the Company, via Elderstreet Holdings Limited, now has full ownership of VCT manager Elderstreet Investments Limited which manages Draper Esprit VCT plc (LSE:DEVC). From inception in 1998 to 31 March 2021, Elderstreet Investments Limited has raised funds of £94 million in Draper Esprit VCT plc. Draper Esprit VCT co-invests with the Group in UK deals that are VCT qualifying.

Draper Esprit EIS

On 10 March 2020, the Group acquired the interest it did not already own in Encore Ventures, an FCA-regulated management vehicle and the partnership which manages Draper Esprit's EIS funds. Following the acquisition, the Group now owns 100% of Encore Ventures. With 6 co-investment funds, it has raised over £177.1 million to 31 March 2021. The Encore Funds have been independently reviewed for 7 years in a row as one of the highest ranked growth EIS fund by The Tax Efficient Review. They most recently scored 89/100 in the Tax Efficient Review, the highest ranked growth EIS fund as of April 2021. They also hold the highest EIS rating awarded by M J Hudson prior to their cessation of general availability reports in 2020. The funds co-invest with the Group in UK deals.

Seed funds

The Group does not make direct seed investments but, in October 2017, launched its seed fund of funds programme. By seeding the early stage ecosystem, Draper Esprit can source the best companies for series A and B, pooling expertise from sector specific funds based in every corner of Europe.

As at 31 March 2021 Draper Esprit has invested in 35 seed funds from across Europe, committing £67.2 million, which will be invested over approximately 5-8 years, with additional funds to follow. Those funds already have over 530 investee companies and have raised c.£2.5 billion in total. To 31 March 2021, £25.5 million of commitments have been drawn down, of which £12.3 million was in the financial year ended 31 March 2021.

The programme has a healthy pipeline of opportunities and, by 2022, the Board expects to have invested in a further 20 to 25 funds, getting indirect exposure to a further 75 to 150 companies.

Partnership with Earlybird

In July 2018, the Company entered into a partnership with Earlybird, a venture capital investor, in order to share dealflow, investment resources and expertise to co-invest in high growth European technology companies. At this time, the Company took a 50% stake in Earlybird Fund VI.

In 2019, it acquired a 27% stake in Earlybird Fund IV for c€63 million and a 5% stake in Earlybird DEF for US\$20 million. In March 2021 the Company committed c.€17.5 million and €15 million into Earlybird Fund VII and Earlybird Growth Opportunities Fund respectively.

Secondary investments

The Group continues to manage three legacy funds, Esprit Fund 1, Esprit Fund 2 and Esprit Fund 3(i). These funds are in run-off.

The Group also makes secondary investments from time-to-time by acquiring primary investments previously made by other investors (including investors wishing to realise their investment in the Encore Funds), and/or, where it is in the interest of the Group to do so, by acquiring other third party funds managed by the Group.

By way of example, in October 2017 the Group acquired Seedcamp Funds I and II for £17.9 million. As a result, the Group acquired a stake in high profile growing technology companies including TransferWise, the international money transfer platform. The portfolio also included interests in a number of other technology companies including Codacy, Edited, Erply, Fishbrain, Codility, Winnow, Codeship and Try.com. The Group sold its holding in TransferWise in two subsequent secondary share sales, generating £33 million from its original investment.

By investing in opportunities like Seedcamp Funds I and II and Earlybird Fund IV, the Group is able to further diversify its investment strategy, investing in secondaries which allow the Group to blend the maturity of its assets. Secondary investments typically span a smaller period of time of about 2 to 3 years, at which point in time they mature and become a realisable asset. The capital provided from those maturing investments can then be reinvested and used to accelerate the Group's broader investment activities. Investing in secondaries like Earlybird or through the Group's fund of funds strategy gives the Group access to the best early stage companies and allows the Group to develop a deeper knowledge of early stage companies.

2.2 Sectors

The Group provides early stage and growth stage technology businesses with capital, networks and management support to accelerate their international growth and development and enhance their value over the long term. The Group adopts a broad sector approach, with sub sector thematics captured within the following broad groupings:

Enterprise technology – the software infrastructure, applications and services that make enterprises more productive, cost-efficient, and smoother to run.

Consumer technology – new consumer-facing products, innovative business models, and proven execution capabilities that bring exceptional opportunities enabled by technology.

Hardware and deeptech – the deeper technologies that will spark advances in computing, consumer electronics and other industries.

Digital health and wellness – using digital and genomic technologies to create new products and services for the health and wellness market.

The Company looks for impressive entrepreneurs across all of these core sectors. Draper Esprit diversifies risk within its portfolio by not focusing on any one sector. Many of these sectors remain significantly under-funded in Europe despite their evident strengths and the Directors believe there is considerable potential for upside returns from the companies that operate within them.

2.3 Strategy

Draper Esprit and its wider Group aims to seek out high growth companies originating from across Europe that:

- operate in new markets with the potential for strong cross-border or global expansion;
- have the potential to address large new markets or disrupt major existing ones, utilising disruptive technology to achieve this;
- have competitive barriers to entry to encourage strong margins and capital efficient business models;
- have the potential to be global sector leaders;
- are run by impressive entrepreneurs who have the ability to build world-class management teams;
- are backed by strong syndicates of investors to reduce financing risk in future rounds;
- will be attractive candidates for acquisition by large corporations or public ownership by institutions by way of an IPO, with valuations ranging from US\$50 million to over US\$1 billion;
- are built sustainably or are committed to positive and sustainable change; and
- will generate multiples of invested capital for investors.

The later stage companies that the Group target typically:

- have in excess of £2 million in annual run-rate revenues at the time of the investment and are growing revenues at more than 30% per annum with proven commercial propositions; and
- are likely to have been supported out of the Company's fund of fund programmes, or by non-venture capital sources of funding or have early stage local venture capital investors, or have been one of the Group's own early stage investee companies which has gained sufficient commercial traction.

The Group's investments, whether primary or direct secondary transactions, typically:

- secure a significant minority stake with board participation rights in investee companies;
- allow the Group to participate in later follow-on funding rounds in order to minimise any dilution where possible; and
- see the Group investing £5 million to £50 million plus of equity over the course of several funding rounds in primary and secondary transactions.

3 THE VENTURE CAPITAL MARKET AND INVESTMENT OPPORTUNITY

3.1 The venture capital market

The last decade witnessed a historic shift in capital markets from public to private impacting the venture capital markets, and despite (or perhaps because of) the range of political and COVID-19-related uncertainties that have challenged the UK – Europe's largest market for technology and venture capital – this direction of travel has continued across the region. The Directors have observed the following trends shaping the technology investment environment, which have been sharply accelerated by the COVID-19 global health pandemic:

Public to Private – part of a wider global trend, the last decade and especially the last 5 years have witnessed a shift in capital markets from public to private. This has in turn seen a ramping of VC fundraising in major markets such as the US and Europe, as well as a concurrent shift in asset allocation and increase in private market allocation by crossover investors. The Group sees, with increasing frequency, these investors making direct private investments, predominantly in later stages than the Group's initial investment.

Staying Private Longer – the shift from public to private is deeply entwined with the trend for companies to stay private longer, raising more capital and reaching greater levels of maturity. The growing ubiquity of "unicorn" technology companies is one such outcome of this trend.

More funds, more funding, winners at the top – this increase in private capital has led to a rapid expansion of both new venture capital funds and the total level of fundraising. But it is the top end of the market that has shifted most. In 2010, a single fund of US\$1 billion or more was rare; today, such funds are increasingly common. Two consequences of this trend are of great interest to Draper Esprit: firstly, the opportunity to make secondary investments into technology companies as they outgrow the capabilities of their early private investors. Secondly, the potential value of raising specific growth funds which follow the growth of companies through their lifecycles. The flexibility of the Draper Esprit model combining a listed evergreen fund with other funding structures allows shareholders to benefit from participation in these historic shifts.

Europe's growing influence – in the last decade, Europe found its technological feet. Historically underweighted at a global level, Europe has begun to realise its potential as a technology powerhouse, with a rapidly growing market share of technology investment deals compared to the U.S. In sectors such as artificial intelligence, European companies are considered a match for U.S. competitors; in sectors like fintech, they are widely considered as superior. The Directors believe that Europe has historically been underserved relative to its intellectual property creation and the ability of European companies to disrupt significant global markets. European companies are considered more capital-efficient than U.S. competitors, which goes some way to explaining why Europe still underperforms the U.S. in value of technology deals. However, the growing number of inbound U.S. investors into Europe has made Europe an increasingly competitive market opportunity.

Focus on ESG – in the Group's experience, investee companies with high ESG standards are typically better run, better at identifying and managing their business risks and opportunities for growth and generate better earnings growth. The Group's RI & Sustainability Policy is a key element of Draper Esprit's investment and portfolio monitoring processes to ensure its platform in venture capital is used to encourage and promote its values and ESG considerations in developing best-in class technology companies and achieving strong returns for Shareholders.

3.2 Investment opportunity

The Group invests in high growth private technology companies. Draper Esprit is guided by years of experience in scaling high-growth technology companies and invests incrementally, with a long-term outlook, to build value over time.

Investment in Europe's most ambitious tech companies

The Group finds some of the most promising private technology companies in Europe, which the Group believe have the potential to become global leaders. Draper Esprit meets thousands of companies a year and invests in approximately 15-30 a year, including follow-on investments. The Group's brand, network and seed fund strategy means Draper Esprit has a large pipeline of deals in the ecosystem to ensure the Group can take a market-wide view before investing.

Sustainable investment in growing companies

As part of Draper Esprit's strategy for sustainable growth, the Group invests small amounts early, and reserves more capital for later stage rounds. This type of investment is not a "win or lose" game: Draper Esprit invests incrementally, building value over time. The Group's portfolio is diversified across sectors and geographies, and its core portfolio holdings are held at conservative valuations based on growth projections and captive market size.

Experience drives the Group's success

Draper Esprit's team is highly experienced: The Group has been investing in technology for over 20 years. The Group typically takes a seat on the board of its investee companies, with suitable investor protections. Many of the team also offer specific domain expertise and have experience as technology entrepreneurs, which aids Draper Esprit's decision-making and ability to give the companies the right connections and best advice.

4 COMPETITIVE STRENGTHS

The Directors believe that Draper Esprit has a number of competitive strengths, including:

- **Flexible platform** – the Group’s platform provides Draper Esprit with the flexibility to invest in a variety of ways across an investee company’s lifecycle, including early stage, growth, secondaries, follow-ons and fund-of-fund transactions.
- **Long term capital** – Draper Esprit offers access to private companies that are growing rapidly. Current trends show that tech companies stay private for longer. Unlike many other venture capital firms, the Draper Esprit model of patient ever-green capital mandates participation in multiple funding rounds for the long-term.
- **Strong management team** – the Group’s investment team have a long history of investing in tech and a track record of delivering over 20% increase in Gross Portfolio Value year on year. Please see paragraph 4 of Part 11 of this document for further detail on how the annual portfolio returns are calculated.
- **Track record and experience in scaling businesses** – the Group has a proven track record focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment.
- **Strong belief in active management** – the Company is an active investor and takes a ‘hands-on’ approach when supporting its investee companies. It has developed its support programme for core investee companies by directly engaging with portfolio marketing leadership teams in the context of knowledge and best practice sharing; collaborative content production; and targeted event co-hosting around specific C-suite functions.

5. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Company’s investment objective and investment policy at Admission, which was approved by Shareholders on 14 July 2021 is set out below.

5.1 Investment Objective

The investment objective of the Group is to generate capital growth for Shareholders by the creation, funding, incubation and development of high-growth technology businesses.

5.2 Investment Policy

The Group intends to meet its investment objective by: (i) providing early stage businesses with initial smaller rounds of seed and series A primary investments, co-investments and commitments to third party seed funds; (ii) making larger series B+ and later series C+ primary investments and co-investments for scaling technology companies; and (iii) undertaking secondary transactions.

The Group will seek exposure to early stage companies which combine technology and service provision, are able to generate strong margins through significant intellectual property or strong barriers to entry, are scalable and require relatively modest investment. The Group will primarily seek exposure to developing companies in, but not limited to, the following sectors of the digital economy: consumer technology, enterprise technology, hardware and deeptech and digital health and wellness.

The Group’s main focus is on making investments in the UK and Europe.

No investment will be made if its costs exceed 15% of the Gross Portfolio Value at the time of investment. A further investment may be made in an existing portfolio business provided the aggregate cost of that investment and of all other unrealised investments in that portfolio business does not exceed 15% of the Gross Portfolio Value.

Form of investment

Investments are expected to be mainly in the form of equity, although investments may be made by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Directors intend to take positions (with suitable minority protection

rights where appropriate), primarily in unquoted companies. Draper Esprit (acting through the relevant Group entity) is an active investor, usually taking a board position on the investee company.

Given the time frame required to fully maximise the value of an investment, the Board expects that investments will be held for the medium to long term, although short term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Directors intend to re-invest the proceeds of disposals in accordance with the Group's investing policy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities, in which case the Directors will consider returning the proceeds to Shareholders in a tax efficient manner.

Borrowing

Draper Esprit may use gearing if it believes it will enhance Shareholder returns over the longer term. Draper Esprit seeks to maintain a conservative level of gearing and will limit its borrowings to a maximum of 25% of Net Asset Value at the time of investment.

Treasury

Cash held by the Group pending investment, reinvestment or distribution will be managed by the Group in accordance with the Group's treasury policy and placed in bank deposits with major global financial institutions, in order to protect the capital value of the Group's cash assets. Investments are expected to be held by the Company or a subsidiary to be incorporated for the purpose of holding an investment.

Changes to and compliance with the investment policy

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

In the event of a breach of the investment policy set out above, which the Board considers to be material, notification will be made through an announcement via a Regulatory Information Service.

6 INVESTMENT PROCESS

6.1 Deal Team and Platform Team

The Company's investment process is delivered by Esprit Capital through two teams that collectively form the Draper Esprit investment team (the "**Investment Team**").

The Group's deal team (the "**Deal Team**") currently comprise the Company's executive Directors and seven investment professionals who are sector experts in their respective domains across each of the four pillars of the Company's investment strategy and who are responsible for engaging with entrepreneurs in their sector and winning deals. Members of the Deal Team form the voting members of the Esprit Capital investment committee and will also typically take a seat on the board of investee companies for which they are the deal lead.

The Group platform team (the "**Platform Team**") is sub-divided into three core areas which function to support the Deal Team:

- The deal origination function of the Platform Team is tasked with sourcing deal flow into the Deal Team; building industry relationships to assist with syndication on deals; building out investment theses upon which the Group targets its investments; and collaborating with the entrepreneur community, other investors and the wider ecosystem. This function develops collaborative partnerships with prospective and existing investee companies and ensures they are professionally supported at the point they are looking for series A+ funding so they can benefit from the Group's expertise in scaling tech start-ups and helping them expand to international markets.
- The deal execution function of the Platform Team is tasked with the end-to-end delivery of the investment process, working with internal and external legal support and the Deal Team to support ongoing deals; conclude investment transactions; and monitor and report on deal progress.

- The marketing function of the Platform Team provides public relations coverage for the Group and for investee companies across all media to raise brand awareness and community engagement across the UK and broader European tech entrepreneur and investor communities.

6.2 Origination

Each member of the Investment Team, and specifically the Deal Team, is responsible for generating deal flow for the team as a whole, as well as within their specialist sectors. Additional deal flow is created by in-bound enquiries from the Group's established network of contacts and fund of funds strategy.

The first contact with a potential investee company is typically directly through a member of the deal origination function of the Platform Team which enables the Group to progress or reject an investment opportunity quickly.

Quarterly meetings are attended by all members of the Investment Team to (i) establish and develop strategy around high priority deal opportunities and (ii) separately review, discuss and plan more broadly the ongoing delivery of the Company's investment strategy.

6.3 Assessment

Deals are reviewed each week in the Investment Team's weekly deal flow meeting. Two members of the Investment Team (one from the deal origination function of the Platform Team and a Deal Team lead) test the early investment thesis. These two members of the Investment Team will submit the first formal paper to the Investment Committee at its weekly meeting.

At this stage due diligence will focus on the following critical issues:

- interviews and reference checks on management;
- validation of a company's technology and intellectual property;
- validation of the business plan i.e. the business model and anticipated future margins, the potential market, the positioning of the company within its market as well as referencing from existing/prospective customers; and
- potential for a strategic premium valuation at exit.

Following this a formal paper will be provided to the Investment Committee. The formal submission to the Investment Committee will introduce the investment thesis, the outline terms of the deal, the ESG credentials of the business and the proposed diligence path to investigate the previous diligence points already identified. The aim of this process is for the Investment Committee to be able to support or reject the thesis and, if the consensus view is positive, to provide a framework and assistance to help the deal partner to close the transaction successfully.

The next stage of the approval process is typically a presentation by the management team of the potential investee company to the Investment Committee. Following this stage, provided that there is a consensus of not less than 66% of voting Deal Team members and subject to approval of the Board (if required), the Group is able to submit a term sheet.

6.4 Investment execution

Once a deal has been accepted, Esprit Capital's own lawyers or external instructed lawyers are engaged to complete the final negotiations to protect the Group's interests before final closing.

In relation to investments made directly by the Group, any investment of more than £10 million at the time such investment is under consideration, will require Board approval, in addition to Investment Committee approval.

6.5 Specialist secondary and portfolio acquisition skills

Through its network, the Group identifies situations from time-to-time where there is an investor with multiple stakes in high growth technology companies which requires liquidity across one or a range of its holdings for strategic reasons. These special situation secondary portfolio

transactions require complex legal, structuring and negotiation skills. A separate special purpose vehicle or fund is created for each pool of investee company interests acquired. The Company may receive additional revenue through management income and/or carried interest arrangements in each of these secondary fund acquisitions. The team focuses on the key value drivers in such secondary portfolios, evaluating them in exactly the same way as it would a primary transaction. The Group takes over non-value driving investments as part of a secondary portfolio if necessary.

Once the Group has acquired a stake through a single company secondary or a secondary portfolio transaction, it is managed in the same way as stakes in investee companies acquired by way of a primary transaction, as described above.

6.6 Active management of the portfolio

The Group pursues a strategy of restricting the number of active board seats that each member of the Deal Team may hold at any one time and expects them to spend at least two days a month helping each investee company for which they are responsible. The Group also encourages regular involvement of other employees of the Group and members of the Platform Team in investee company meetings and reviews to ensure the appropriate balance and objectivity when investments are discussed at Investment Committee meetings. Every investment made by the Group (excluding any underlying fund of fund investee companies) is discussed by the entire Investment Team at the Company's bi-annual portfolio review process.

6.7 ESG in the investment process

The Draper Esprit RI & Sustainability Policy sets out the Group's values, ESG goals, and approach to responsible investment (further details of which are summarised at paragraph 3 of Part 9 of this document). The Group's goal is to empower UK and European entrepreneurs to invent the future. The Group wants that future to be sustainable, fair and accessible to all and aims to use its platform in venture capital to encourage and promote its values and ESG considerations in developing best-in class technology companies and achieving strong returns for Shareholders.

Draper Esprit is committed to investing responsibly and embedding ESG in everything that it does through the lifecycle of its investments, from pre-screening to exit, to accelerate positive change and inspire the next generation of diverse entrepreneurs.

Key to the Company's RI & Sustainability Policy are eight target ESG standards that the Group asks founders and management teams to positively commit to during the lifetime of the Group's investment which allows the Group to manage material ESG-related risks and opportunities to create value during the investment holding period.

Included in the Company's eight target ESG standards are (i) a commitment to the inclusion of a strategic sustainability board agenda item that is discussed at least quarterly; (ii) encouraging diversity and inclusion at all levels of the business including at a management level, through policy and direct action; and (iii) positively addressing customer / client interests, including concerns around privacy, inclusion, health and safety, and marketing.

As part of the onboarding process, the Company will share its high level due diligence ESG assessment with the management team of the investee company, and use this to establish a baseline of discussion points that are specific and material to the business. The Company then aims to collaborate with management to formulate proportionate and company-specific ESG metrics and strategies for ongoing monitoring supported by appropriate policy and governance arrangements. The scope of agreed actions and nature of the Group's support will evolve as a investee company business grows and matures, but may take the form of one-to-one interactions, ESG-focussed events, networking opportunities and integration into the Group's wider community of companies and investors.

6.8 Management team building

The Group actively helps recruit senior management team members and board members for their investee companies. This includes non-executive chairmen and directors, c-suite officeholders and senior positions in finance, marketing technology, production, manufacturing, sales and other positions.

The Group is particularly focused on ensuring its investee companies have the right team for each stage of their development.

6.9 Performance reviews

The Group often leads reviews of sales performance, marketing and product focus groups for its investee companies. It has extensive contacts at third party consulting organisations who can assist the management teams to execute to the best of their abilities and in line with best practice for their industries.

6.10 Acquisition expertise

The Group is focused on assisting investee companies to achieve organic growth as a core investment strategy. However, organic growth can often be complemented by acquiring further products, development skills or sales and distribution capabilities. The Group is actively involved in helping its investee companies to identify, negotiate and integrate strategic acquisitions.

6.11 Business development/market entry

The Group often helps its investee companies to develop new business development activities, helping to identify and negotiate channel partnerships, manufacturing links and other strategic and tactical opportunities. Often, it is these business development relationships that can result in a potential acquirer of the company emerging at a later stage. The Group leverages its strong relationships with the major technology corporations and actively engages on behalf of its investee companies. The members of the Deal Team also have long histories of helping investee companies to expand into international markets.

6.12 Dealing with underperformance

With periodic business reviews and close and regular contact with the management teams, the Group is well placed to identify any problems within the Group's portfolio at the earliest stage possible. Together with management, the Group will endeavour to secure change at board, management and/or operational level as necessary.

Formal reports from the investee companies are typically received monthly, in a format that is used by the relevant portfolio management team to help them run their business. Every six months across two dedicated all-team strategy days, data is presented in the Group's standard format and each member of the Deal Team reports to the Group on their specific investee company's progress. The Group takes a team based approach to quarterly performance and all of the members of the Investment Team are actively involved in reviewing portfolio progress, including attending board meetings of companies outside of an individual member's remit. The Group also actively assigns investee companies (where possible) to different members of the Investment Team from time to time, to help provide fresh insights and perspectives to the Group's investments.

6.13 Investment exit review

The Group reviews exit opportunities regularly and each member of the Deal Team is responsible for an exit thesis for the investee companies she/he is responsible for prior to any investment being made. An exit thesis is set out in the original investment papers and it is reiterated or amended thereafter, as appropriate, in the Group's regular quarterly reports.

Determining the exit thesis prior to an investment is an important stage in gaining the commitment of the management, board and co-investors to a common plan. Thereafter, the Group seeks to actively manage this exit process by participating on the investee company board, and using these management meetings with the investee company to promote open discussions within the investee company.

The Group endeavours to be an active 'hands-on' participant in any exit process. This includes involvement in the formation of strategy, appointment of advisers or often negotiating directly with potential acquirers or investment banks as necessary.

At the start of each quarter, the Group undertakes a strategic review of each of its assets, establishing the investee company's funding position, any opportunity for additional investment and timing of a potential exit. The outcome of this meeting sets the benchmark for how the Group will manage its portfolio of investee companies. Decisions relating to potential exits (to the extent they are within the control of the Group) will follow a similar approval process to any approval of a new investment, requiring a majority vote.

7 VALUATION

Full valuations of the Group's investments are conducted by the Group's Audit, Risk and Valuation Committee as at 31 March for each financial period. Interim valuations are performed by the Group's Audit, Risk and Valuation Committee on a half-yearly basis as at 30 September.

The fair valuations of the Group's unlisted investments are established in accordance with UK IFRS and with reference to the International Private Equity and Venture Capital Valuation Guidelines issued by the International Private Equity and Venture Capital Valuation Board as well as their Special Valuation Guidance issued on 31 March 2020 in response to the COVID-19 crisis ("**IPEV Guidelines**"). The valuation methodologies primarily used by the Group are the 'calibration to the recent transaction price', 'revenue multiple' and 'net asset value' approaches.

The Group invests in special purpose vehicles and limited partnerships which are considered to be investment companies that invest in unquoted equity for the benefit of the Group (see paragraph 2.6 of Part 13 of this document for further details and notes 3b and 18 of the audited financial statements of the Group for the financial year ended 31 March 2021 and notes 6, 7 and 17 of the audited financial statements of the Company for the financial year ended 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document). These investment companies are measured at fair value through the profit or loss based on their NAV at the year end. The Group controls these entities and is responsible for preparing their NAV which is based on the valuation of their unquoted investments. The Group's valuation of investments measured at fair value through profit or loss is therefore dependent upon estimations of the valuation of the underlying investee companies.

The Group, through its controlled investment companies, also invests in investment companies which primarily focus on the DACH region (Austria, Germany and Switzerland) or seed investments. These investments are considered to be 'fund of fund investments' for the Group and are recognised at their NAV at the year-end date. These fund of fund investments are not controlled by the Group and some do not have coterminous year ends with the Group. To value these investments, the Group obtains the latest audited financial statements or partner reports of the investments and discuss further movements with the management of the companies. Where the fund of funds holds investments that are individually material to the Group, the Group performs further review procedures to determine that the valuation of these investments has been prepared in accordance with the Group's valuation policies for investee companies outlined below and these valuations will be adjusted by the Group where necessary based on the Group valuation policy for valuing investee companies.

The next interim and full valuations will be conducted as at 30 September 2021 and 31 March 2022 respectively.

The Net Asset Value (and Net Asset Value per Ordinary Share) are calculated half-yearly by the Group. Details of each half-yearly valuation of the Company's investments, the Net Asset Value and the Net Asset Value per Ordinary Share, and of any suspension in the making of such valuations, will be announced by the Company on a Regulatory Information Service as soon as practicable after the end of the relevant period. The calculation of the Net Asset Value will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

8 MEETINGS, REPORTS AND ACCOUNTS

The audited accounts of the Company have been prepared in Sterling under IFRS and UK IFRS and will be prepared under UK IFRS going forward. The Company's annual report and accounts are prepared up to 31 March each year, with the next accounting year of the Company ending on 31 March 2022. It is expected that copies of the report and accounts will be sent to Shareholders by the end of June each year. The Company will also publish an unaudited half-yearly report covering the six months to 30 September each year. The next unaudited financial report that the Company will publish will be for the period from 1 April 2021 to 30 September 2021. The next annual financial report and accounts that the Company will publish will be for the period from 1 April 2021 to 31 March 2022. The Company intends to hold its next annual general meeting before 30 September 2022 and will continue to hold an annual general meeting each year thereafter.

9 DIVIDEND POLICY

It is the current intention of the Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group's portfolio. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of and investment opportunities available to the Group.

10 DISCLOSURE OBLIGATIONS

10.1 United Kingdom

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) ("**DTR 5**") of the Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a "UK issuer", as such term is defined in DTR 5.

As such, a person is required to notify the Company and the FCA of the percentage of voting rights it holds as a holder of Ordinary Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Ordinary Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of the Company, 3 and each 1 per cent, threshold thereafter up to 100 per cent..

10.2 The Republic of Ireland

The Company will, following Admission, notify the Central Bank of Ireland that the Republic of Ireland will be its home Member State for the purposes of the EU Transparency Directive and the Irish Transparency Regulations. Accordingly, the provisions of Part 5 of the Irish Transparency Regulations and the IMC Rules will apply to the Company.

As such, in addition to the DTR disclosure obligations set out at paragraph 10.1 above, a person is also required to notify the Company and the Central Bank of Ireland of the percentage of voting rights it holds as a holder of Ordinary Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within the EU Transparency Directive and the Irish Transparency Regulations, or a combination of such holdings, if, as a result of an acquisition or disposal of Ordinary Shares (or financial instruments) or events changing the breakdown of voting rights on the basis of information disclosed by the Company in accordance with Regulation 20 of the Irish Transparency Regulations, the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of the Company, 5 per cent., 10 per cent., 15 per cent., 20 per cent., 30 per cent., 50 per cent. and 75 per cent.

11 REASONS FOR ADMISSION

The Directors and Proposed Director believe that Draper Esprit is now of a size and scale to justify its migration from AIM and the Euronext Growth Market to the Main Market and the Euronext Dublin Market. The Company has a proven track record and an ambitious asset

management strategy focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment which Draper Esprit is able to provide via its balance sheet and a growing base of third party funds.

The Directors and Proposed Director believe that Admission will:

- further enhance the Company's profile and brand recognition with investee companies;
- extend the Company's shareholder base to a wider group of institutional shareholders;
- assist in the recruitment, retention and incentivisation of all employees; and
- support Draper Esprit's growth strategy.

12 TAXATION

The attention of investors is drawn to the information regarding taxation set out in paragraphs 15 and 16 of Part 13 (Additional Information) of this document. The information is intended only as a general guide to the current tax position under taxation law in the UK and the Republic of Ireland for certain types of investor. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or the Republic of Ireland are strongly advised to consult their professional advisers.

13 RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular Part 2 (Risk Factors) on pages 12 to 20 of this document.

14 TYPICAL INVESTOR

The Directors and Proposed Director believe that the Ordinary Shares are best suited to institutional investors, professionally-advised private investors and highly knowledgeable investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore holdings in the Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

PART 8

PORTFOLIO REVIEW

1 OVERVIEW

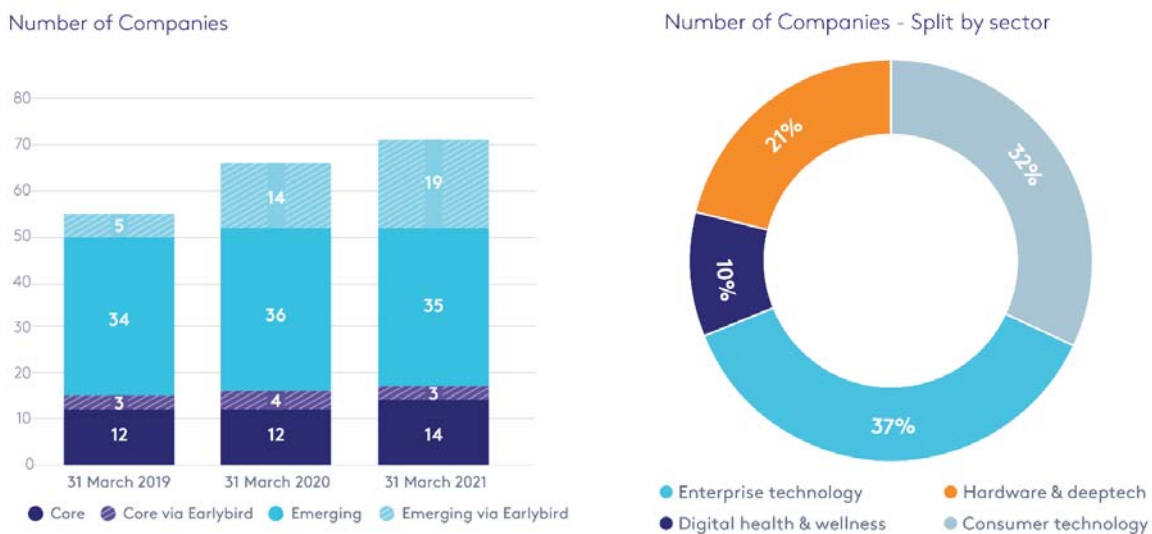
Draper Esprit backs new and existing investee companies whilst maintaining the integrity of its investment and valuations process. The Directors and Proposed Director remain positive about the long term areas of growth in the markets that the Group's companies address such as artificial intelligence, cloud computing for remote working and digital health. Many of the Group's investee companies generate recurring revenues and the geographic diversity of the Group's portfolio, combined with the broad cross section of areas in which they operate, means that Draper Esprit is not overly exposed to any individual market or sector.

2 PORTFOLIO

The Group's portfolio is balanced across four sectors: (i) consumer technology; (ii) enterprise technology; (iii) hardware and deeptech; and (iv) digital health and wellness.

The Group continues to focus on finding some of the most exciting new technology companies in the UK and Europe and invested in 9 new companies during the year to 31 March 2021 (as well as 3 via Earlybird). Thanks to Draper Esprit's patient capital strategy, the Group was able to increase its stakes in existing investee companies and invested in 18 existing investee companies during the year to 31 March 2021 (as well as 3 via Earlybird). Realisations increased from £40 million in the year ended 31 March 2020 to £206 million in the year ended 31 March 2021 from partial and full disposals, including amounts which were held in escrow.

Number of portfolio companies invested in by the Company by financial year



Source: Draper Esprit plc.

Note: Those companies invested in via Earlybird are included above a threshold of £1 million.

3 INVESTMENTS

During the year ended 31 March 2021, £128 million (31 March 2020: £90 million; 31 March 2019: £226 million) was deployed from the Group, with a further £34 million (31 March 2020: £38 million; 31 March 2019: £35 million) deployed from EIS/VCT.

3.1 Core Portfolio

As at 31 March 2021, seventeen core holdings represent approximately 68% of the Gross Portfolio Value. The core holdings as at 31 March 2021 comprised Trustpilot, Graphcore, UiPath, Ravenpack, M-Files, Aircall, Revolut*, Smava, Perkbox, Ledger, Thought Machine, Aiven, Cazoo, SportPursuit**, Lyst, Endomag and Freetrade.

Investee company	Fair value (£m) as at 31 March 2021	Date of first investment	Description
Trustpilot	£85.5	December 2013	<p>Invested as at 31 March 2021: £15.7 million.</p> <p>Online global review site, Trustpilot, has tracked over 120 million reviews, of over 529,000 domains since it launched in 2007. With offices in Copenhagen, London, New York, Denver, Berlin, Melbourne, Vilnius and Edinburgh, Trustpilot has c.700 employees representing more than 40 different nationalities. Trustpilot's shares were admitted to the Official List and the main market of the London Stock Exchange in March 2021 and its market capitalisation as at 16 July 2021 (the latest practicable date prior to the publication of this document) was £1.493 billion.</p>
Graphcore	£108.8	September 2016	<p>Invested as at 31 March 2021: £24.0 million</p> <p>Graphcore, the machine intelligence semi-conductor company, develops intelligent processing units which enable unprecedented levels of compute. With a new office in Germany and existing offices in Bristol, London, Cambridge, Palo Alto, Oslo, Beijing, Hsinchu, Seoul, New York, Seattle and Austin, the global company continues to scale in size, increasing to 450+ employees from its previously reported 200+ employees.</p>
UiPath	£100.3	February 2019	<p>Invested as at 31 March 2021: £10.3 million</p> <p>UiPath, the robotic process automation software is one of the fastest growing enterprise software companies worldwide, offering development tools, process automation, enhanced control, cloud and on-premise deployment, robust governance, and multiple robots on single virtual machines to automate repetitive back-office tasks.</p> <p>UiPath's shares were admitted to the New York Stock Exchange in April 2021 and its market capitalisation as at 15 July 2021 (the latest practicable date prior to the publication of this document) was US\$30.3 billion.</p>
Ravenpack	£29.9	March 2017	<p>Invested as at 31 March 2021: £7.5 million</p> <p>Leading big data analytics provider for financial services, Ravenpack 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 some of the most successful global hedge funds, banks, and asset managers.</p>

Investee company	Fair value (£m) as at 31 March 2021	Date of first investment	Description
M-Files	£29.7	March 2013	<p>Invested as at 31 March 2021: £6.5 million</p> <p>Intelligent information management platform, M-Files, organises customers' content with the ability to connect to existing network folders and systems to enhance them with the help of artificial intelligence to categorise and protect information. The SaaS business has more than 500 employees based in 11 global offices.</p>
Aircall	£32.8	May 2018	<p>Invested as at 31 March 2021: £10.7 million</p> <p>Aircall is a cloud-based call centre system. It is headquartered in Paris and New York. It has more than 350 employees, is available in over 80+ countries, with 8,500+ customers world-wide.</p>
Revolut*	£20.4	April 2018	<p>Invested as at 31 March 2021: £7.4 million</p> <p>Financial technology company offering money transfer and exchange services. The company currently boasts over 15 million personal customers, 500k business customers, is supported in 35 countries and has 30+ in-app currencies.</p>
Smava	£23.8	February 2019	<p>Invested as at 31 March 2021: £14.5 million</p> <p>Online lending platform, Smava, provides easy access to the best conditions for consumer loans from more than 20 banks. The company is the largest specialised loan marketplace in Germany, providing access to over €3.0 billion a year in loans.</p>
Perkbox	£18.6	December 2016	<p>Invested as at 31 March 2021: £14.0 million</p> <p>Perkbox is an employee wellbeing platform that provides a unique employee experience, enriching the personal and working life of employees. It offers a suite of products including a platform with access to best-in-class perks, recognition, insights and medical.</p>
Ledger	£41.8	January 2018	<p>Invested as at 31 March 2021: £17.7 million</p> <p>Ledger, the security and infrastructure provider for cryptocurrencies and block chain application offers Ledger-Nano, Ledger, Live and Ledger-Vault which help to provide infrastructure solutions for enterprises and hardware crypto wallets for consumers. The global company now has 250 global employees working in its Paris, New York, San Francisco, Singapore and London offices and 1 million users in over 165 countries with 1.5 million units sold.</p>

Investee company	Fair value (£m) as at 31 March 2021	Date of first investment	Description
Thought Machine	£18.4	November 2019	<p>Invested as at 31 March 2021: £16.5 million</p> <p>Thought Machine offers cloud native core banking infrastructure to both incumbent and challenger banks. The company's technology provides an alternative more flexible cloud-based solution that can be configured to provide any product, user experience, operating model or data analysis capability.</p>
Aiven	£45.5	May 2019	<p>Invested as at 31 March 2021: £5.0 million</p> <p>Aiven, the data infrastructure management platform, allows developers to focus on application building while the platform manages open-source databases and messaging systems for business clients on all major cloud platforms. The company operates with 11 open-source products, 6 Cloud platforms, and covers 90+ regions with headquarters in Boston, Berlin, Sydney, and Helsinki.</p>
Cazoo	£25.7	June 2020	<p>Invested as at 31 March 2021: £10.0 million</p> <p>Cazoo is one the UK's fastest-growing digital businesses and leading online car retailers. Launched in 2018 by Alex Chesterman, founder of LoveFilm and Zoopla, the company allows customers to research and purchase cars online. With a team of over 1,800 people based across the UK, Germany, France and Portugal, the company continues to grow and has delivered over 20,000 cars to consumers across the UK.</p>
SportPursuit**	£18.5	March 2012	<p>Invested as at 31 March 2021: £5.6 million</p> <p>Membership-based eCommerce business, SportPursuit helps sportsmen and women find products from the world's best brands.</p>
Lyst	£35.1	July 2012	<p>Invested as at 31 March 2021: £6.0 million</p> <p>Lyst is a leading platform for the world's fashion shoppers helping 70 million users from 120 countries find and discover the perfect fashion item from a selection of more than 18,000 leading brands last year. The company tracks more than 10 million global searches each month and captures the data to tell retailers what consumers want to wear. The company is based in London.</p>

Investee company	Fair value (£m) as at 31 March 2021	Date of first investment	Description
Endomag	£15.7	July 2018	<p>Invested as at 31 March 2021: £9.3 million</p> <p>Endomag utilises technology to improve cancer care by preventing unnecessary surgery and improving outcomes and patient experience where surgery is needed. Over 550 hospitals in more than 40 different countries have utilised Endomag's technology on over 130,000 patients. Endomag has its headquarters in Cambridge, with a second office in Austin, Texas.</p>
Freetrade	£20.0	October 2019	<p>Invested as at 31 March 2021: £8.0 million</p> <p>Freetrade is a trading app which continues to make trading commission-free and easy by adding thousands of new stocks and ETFs to invest in for members. Registered users for the app have surpassed 600,000 and Q1 2021 trade volumes exceeded US\$1.0 billion.</p>

**On 15 July 2021 Revolut announced that it had raised more than US\$800 million in a Series E round from new investors Softbank Vision Fund 2 and Tiger Global Management. As a result of that investment, Revolut is now valued at US\$33 billion (c.£24 billion). Based on the valuation implied by the fundraising, the Company's gross fair value holding (before carry deductions) is approximately £119 million. This is an uplift of £99 million to the 31 March 2021 gross fair value of £20.4 million.

**since 31 March 2021, the Group has realised a further £22.8 million from the sale of its investment in SportPursuit as a consequence of an investment by private equity firm bd-capital.

3.2 New investments

In the financial year ended 31 March 2021, the Company invested £51.1 million in new companies (excluding investments made from EIS/VCT funds). The Group's investments included:

- **CoachHub** – Draper Esprit was the lead investor into the US\$30.0 million round in digital coaching platform CoachHub, with an investment from the Company of £12.4 million;
- **Unannounced** – the Company invested £10.8 million into the series B investment round of an unannounced intelligent process automation platform that combines robotic process automation and artificial intelligence to provide an end-to-end automation platform to customers;
- **Cazoo** – Draper Esprit invested £10.0 million during the year in British digital used car marketplace, Cazoo, as part of the company's £25.0 million second close of their series C funding round and subsequently participated in Cazoo's £240.0 million series D round;
- **Ravelin** – Draper Esprit led a US\$20.0 million series C investment round in Ravelin, a fraud detection company. Ravelin has pioneered the use of machine learning and graph network technologies to help online businesses accept more payments with confidence. The Company has invested £1.1 million with further investments also made from the EIS/VCT funds;
- **PrimaryBid** – Draper Esprit co-led the US\$50.0 million series B fundraising by PrimaryBid. PrimaryBid is a technology platform that allows retail investors fair access to public companies raising capital. The Company has invested £5.4 million, of which £3.1 million was paid post year-end, with a further £4.0 million from EIS/VCT funds;
- **Riverlane** – the Group led a \$20 million series A investment round in Riverlane, a ground-breaking quantum computing software specialist that develops software that transforms quantum computers from experimental technology into commercial products. The Company invested £5.1 million, with a further £3.9 million invested from the EIS/VCT funds;
- **Focal Point** – the Group, as sole investor, invested £6 million in FocalPoint, the deep-tech company revolutionising the accuracy of GPS and other global satellite positioning systems;

- **Hopin** – the Company invested £4.4 million into Hopin’s series B round. Hopin is a virtual venue for live online events; and
- **Agora** – Draper Esprit led a £5 million investment round in Agora, a London-based startup disrupting the beauty industry through social commerce, with £1.5 million invested from the Company.

Since 31 March 2021, the Group has made further new investments in Cervest (a cloud-based provider of Artificial Intelligence powered climate intelligence that helps organisations manage and adapt to asset-level risk globally), Manna (a drone delivery business providing ‘last-mile’ deliveries of food, grocery and pharmacy goods) and FintechOS (a low-code platform provider targeting banks and insurance companies to help them build new services and analytics on and around their existing infrastructure).

3.3 Follow-on investments

As part of the Group’s strategy to provide companies with continued support throughout their lifecycle, the Group participated in a number of follow-on investments during the financial year ended 31 March 2021, including:

- **Graphcore** – £10.3 million invested into Graphcore, maker of the intelligence processing unit, as part of their series E fundraising round;
- **Endomag** – £12.3 million investment into Endomag, a breast cancer market leader (£7 million from the Company and £5.3 million from EIS/VCT funds);
- **Push Doctor** – £3.4 million invested into Push Doctor, providing online doctor and prescription services in the UK, as an extension to their series C round. Alongside the Group, the EIS/VCT funds invested £1.2 million during the period;
- **Pollen** – £1.3 million invested into Pollen (formerly Verve), building a global platform to enable users to discover and buy aspirational brands from their network. Alongside the Group, the EIS/VCT funds invested £1.0 million during the period;
- **Form3** – £1.6 million invested during the period into Form3, the leading cloud-native payment and technology provider for banks and regulated fintechs, as part of their US\$33.0 million strategic investment round. Alongside the Group, the EIS/VCT funds invested £3.0 million during the period;
- **Aircall** – £0.8 million invested into Aircall, the cloud-based call centre software for teams, as part of a US\$65.0 million series C round led by Deutsche Telekom Capital Partners;
- **M-Files** – £1.5 million invested as part of an US\$80.0 million investment round into M-Files, an intelligent information management company that is using artificial intelligence technologies in its unique intelligent metadata layer. Thousands of organisations in more than 100 countries use M-Files for managing their business information and processes, including NBC Universal, OMV, Valmet, SAS Institute and thyssenkrupp;
- **Hadean** – £1.0 million invested into deep tech software business, Hadean which focuses on enabling distributed computing at a massive scale; and
- **Freetrade** – the Company participated in a \$69 million series B fundraising round for existing investee company Freetrade with an investment of £4.0 million by the Company. The round was led by Lane Capital and the funds will help to accelerate Freetrade’s growth in international markets and allow the team to scale their product and technology.

Follow-on investments made during the financial year ended 31 March 2021 via the Group’s partnership with Earlybird included GetSafe GmbH, a Heidelberg-based company which uses artificial intelligence to manage insurance via smartphones, and space tech company, Isar Aerospace Technologies GmbH.

Since 31 March 2021, the Group has made further follow-on investments in Ledger, Lyst and Aircall.

4 SEED FUNDS

During the financial year ended 31 March 2021, Draper Esprit made commitments to 15 new seed funds meaning that to date 35 seed fund deals have closed, with an average commitment per fund of under £2m, across various sectors and locations in Europe. This amounts to commitments of £67.2 million with £25.5 million invested as at 31 March 2021, of which £12.3 million occurred during the last financial year. Through this strategy, as at 31 March 2021, the Group has indirectly invested in over 530 companies via these seed funds.

New seed funds committed in the financial year ended 31 March 2021 include a mix of regional champions, such as Icebreaker II with a focus on investing in the Nordics and Draper B1 with a focus on Spanish startups, as well as thesis-driven managers, such as Atelier, with a focus on passion economy, and Quantonation, with a focus on quantum computing. The Group has also continued to support fund managers which it has invested with historically by investing in their latest funds such as Seaya Ventures III, Icebreaker II, Stride II, Seedcamp V and Amaranthine Fund II.

Since 31 March 2021, the Group has made further investments in the following seed funds:

- **Hello World** – Hello world is a Spanish collaborative, single GP led, diversified and professionally managed angel fund designed to get early stage access to the outliers of the next generation of European start-ups. Draper Esprit has committed €1 million into the fund;
- **Antler Europe Fund** – Antler is a global early-stage venture capital firm that invests in technology companies. Draper Esprit has committed €1.5 million into the fund;
- **Atlantic Food Labs** – Atlantic Food Labs is a venture studio and investor for start-ups with solutions to feed ten billion people by 2050 in a sustainable and healthy way. Founded in 2016, the Berlin-based investor is one of Europe's leading venture firms for food & agriculture. Draper Esprit has committed €4.0 million into the fund; and
- **Paua Ventures** – a Berlin-based venture capital firm. Paua invests in European early-stage B2B software companies, acting both as lead or co-lead investor. Their focus is on sectors where they can add the most value such as Enterprise Software, Software as a Service, Industry 4.0, Deep-tech (Robotics, Security, IoT, AI/ML, NLP, DevTools). Draper Esprit has committed €2.0 million into the fund.

5 REALISATIONS

During the financial year ended 31 March 2021, the Group realised £206 million from partial and full disposals of investments, including receipts of escrow amounts. Key partial and full realisations during the year include:

- **Peak Games** – Zynga Inc acquired Istanbul-based mobile games developer Peak Games for US\$1.8 billion, comprised of c.US\$900.0 million in cash and c.US\$900.0 million of Zynga common stock. Draper Esprit received the cash tranche and forward sold the majority of the share tranche for a combined realisation of approximately £88 million, based on an initial investment of £25.4 million. The multiple on exit for the Peak Games realisation was 3.5x.
- **TransferWise** – the Group sold its remaining share in TransferWise in July 2020 in a secondary transaction at an equity value of US\$5.0 billion. In total the Group generated £33 million from the sale of its stake in TransferWise, having initially acquired its stake for £10.5 million via the acquisition of Seedcamp Funds I and II. The multiple on exit for the TransferWise realisation was 3.1x.
- **Trustpilot** – as part of Trustpilot's IPO, the Company sold down part of its holding, resulting in proceeds during the year of £78.3 million on approximately £14 million of invested capital for the realised tranche at the IPO offer price of 265 pence. This represents a realisation multiple of 5.3x. The Company continues to hold 7.7% in shares amounting to c.£115 million based on the Trustpilot share price on 16 July 2021 (the last practicable date prior to the publication of this document).
- **Decibel** – in March 2021, Medallia announced that it had agreed to acquire Decibel, an existing investee company, for US\$160 million in an all cash deal. This acquisition represents a fair value uplift of £4 million, resulting in a return of approximately £14 million to the Group, with a 1.4x multiple on £10 million of invested capital.

Since 31 March 2021, the Group has realised a further £22.8 million from the sale of its investment in SportPursuit, on approximately £5.6 million of invested capital. This represents a realisation multiple of 4.1x. The Company first invested in SportPursuit in 2012 as part of a Series A round, providing the first institutional investment and has supported the company in each subsequent fund raising.

PART 9

DIRECTORS, PROPOSED DIRECTOR, SENIOR MEMBERS OF MANAGEMENT AND CORPORATE GOVERNANCE

1 DIRECTORS AND PROPOSED DIRECTOR

The Directors are as follows:

Karen Slatford (aged 64) (Non-Executive Chair)

Karen is non-executive Chair of Draper Esprit plc. She is also a senior independent non-executive director of AIM-quoted Accesso Technology Group plc, Softcat plc, a FTSE 250 IT infrastructure provider and LSE and NYSE listed Micro Focus. Karen began her career at ICL before spending 20 years at Hewlett-Packard Company, where in 2000 she became Vice President and General Manager Worldwide Sales & Marketing for the Business Customer Organisation, responsible for sales of all HewlettPackard products, services and software to business customers globally. Karen holds a BA Honours degree in European Studies from Bath University and a Diploma in Marketing.

Martin Davis (aged 59) (Chief Executive Officer)

Martin was appointed as CEO of Draper Esprit in November 2019. He has more than 20 years of experience in financial services and joined Draper from Aegon Asset Management where he was the Head of Europe, Aegon Asset Management & CEO Kames Capital. Prior to Aegon Asset Management, Martin served as CEO at Cofunds, spent 8 years at Zurich Insurance Group, and was also CEO of Zurich's joint venture, Openwork, the largest network of financial advice firms in the UK. Prior to this, Martin held senior management roles at Misys, Corillian, and Reuters. Martin also served for 11 years in the British Army. Martin has an MBA from London City Business School (CASS) and Diplomas from the Institute of Marketing and the Market Research Society.

Ben Wilkinson (aged 40) (Chief Financial Officer)

Ben was appointed to the Board on 4 June 2019, having joined the Group as CFO in 2016. In addition to his responsibilities for the Group's finance and investor relations functions, Ben serves as a member of the Investment Committee. Ben has led on recent equity and debt raises totalling over £500.0 million. Ben is an experienced leader of public company finance teams having previously served for 5 years as CFO of AIM-listed President Energy PLC where he was responsible for all financial aspects of the group. During his time at President, Ben was a key part of the Board that undertook investments into Argentina and Paraguay and raised US\$175 million across several equity issuances with shareholders such as IFC/World Bank and significant UK institutional investors. Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS where he was involved with multiple cross border transactions and corporate financings, both debt and equity. Ben is a graduate of Royal Holloway, University of London with a BSc in Economics.

Stuart Chapman (aged 51) (Chief Portfolio Officer)

Prior to establishing the Group with Simon Cook in 2006, Stuart was a Director of 3i Ventures in London. Having joined 3i in 1992, he has over 25 years' venture capital experience in Europe and the U.S. He was a founding partner of 3i US, based in Menlo Park, CA from 1999 until 2003. Stuart was responsible for Esprit's investments in Lagan Technology (sold to Verint), Redkite (sold to Nice) and Kiadis (sold to Sanofi). Stuart serves as a director with Netronome, Resolver, Realeyes, Crate and Conversocial; and as observer with Graphcore. Prior to 3i, Stuart was involved in software and systems implementations for Midland Bank. He is a graduate of Loughborough University and currently serves on the Strategic Advisory Board for the Loughborough School of Business.

Richard Pelly OBE (aged 65) (Non-Executive Director)

Richard is a non-executive director and advisor in the area of micro, small and medium-sized businesses. Up until April 2014, Richard was the chief executive of the European Investment Fund ("EIF"), Europe's largest investor in venture capital funds. Before joining EIF in

April 2008, Richard was managing director of structured asset finance at Lloyds TSB Bank in London from 2005 to 2007. From 1998 to 2005, he worked for GE Capital, first as chairman and CEO of Budapest Bank in Hungary and then as CEO of UK Business Finance within GE Commercial Finance. Prior to his career at GE, Richard worked for Barclays Bank in various functions in the UK and in France from 1977 to 1997. Richard holds an honours degree in Psychology from Durham University and an MBA with distinction from INSEAD Fontainebleau. In 2003, he was awarded an OBE in the Queen's Honours List for Services to the Community in Hungary.

Grahame Cook (aged 63) (Non-executive Director and Senior Independent Director)

Grahame Cook is an experienced public company non-executive director, with over 20 years' experience as an audit and risk committee chairman. Grahame's background is in investment banking, with 20 years' experience of M&A, equity capital markets and corporate advisory. Grahame started his career at Arthur Andersen, where he qualified as a chartered accountant. He became a Director of Corporate Finance at Barclays de Zoete Wedd in 1993, and then joined UBS as a Managing Director, member of its global investment banking management committee and global head of equity advisory. At UBS he was responsible for creating its industry sector teams, including tech and healthcare. In 2003 he became joint chief executive officer at WestLB Panmure where he built a pan-European business focussed on growth companies and ran a €100m technology fund. He advised the London Stock Exchange in 2003 on the creation of its TechMark growth segment. Grahame sits on a number of technology and technology rich healthcare company boards, both listed and unlisted. Grahame holds a Double First Class Honours degree from Oxford University.

The Proposed Director is as follows:

Gervaise Slowey (aged 54) (Non-executive Director)

Gervaise Slowey is a non-executive director with a background in senior management, international business, marketing and media. She serves as a non-executive director on the boards of Wells Fargo Bank International ("WFBI"), Ulster Bank Ireland DAC, Eason PLC (Ireland's largest book retailer) and the Institute of Directors in Ireland. She also chairs the Performance and Remuneration Committee for Ulster Bank Ireland, and the Nomination Committee for WFBI. Gervaise was CEO of Communicorp Group (now Bauer), Ireland's largest independent radio group for four years to the end of 2016. Prior to that Gervaise held senior roles in Ogilvy Worldwide for 16 years, most recently Global Client Director. Gervaise has also served on the boards of the International Rice Research Institute, a global organisation dedicated to abolishing poverty and hunger among those dependent on rice, and the Institute for International and European Affairs (IIEA). Gervaise is a Chartered Company Director (Institute of Directors), a Certified Bank Director (Institute of Bankers), and a Dublin City University Business Studies graduate (BBS). She is particularly interested in sustainability and recently completed the Sustainability Leadership Program at Cambridge University.

It is the intention of the Directors to appoint a further Non-executive Director to the Board before 31 December 2021.

2 CORPORATE GOVERNANCE

2.1 The UK Corporate Governance Code

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors and Proposed Director recognise the importance of sound corporate governance. The Directors currently observe the requirements of the corporate governance code for small and mid-size quoted companies published by the Quoted Companies Alliance. From Admission, the Company shall comply with the UK Corporate Governance Code.

2.2 The Irish Corporate Governance Annex

Under the Irish Listing Rules, the Irish Corporate Governance Annex does not apply to issuers with securities admitted to a secondary listing on the Irish Official List, such as the Company.

2.3 The Audit, Risk and Valuations Committee

The Audit, Risk and Valuations Committee is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. Its role includes monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings). Its role includes reviewing the Company's valuation policies and procedures to ensure that the Board is fulfilling its obligations relating to the independent and proper valuation of the underlying Group investments. It is also responsible for establishing, monitoring and reviewing procedures and controls for ensuring compliance with the relevant regulatory regime. The audit, risk and valuations committee will normally meet not less than three times a year.

As at the date of this document, the Audit, Risk and Valuations Committee is chaired by Grahame Cook and its other members are Karen Slatford and Richard Pelly. Following Admission it is proposed that Grahame Cook shall continue to chair the committee and its members shall include Richard Pelly and Gervaise Slowey. In line with the recommendations of the UK Corporate Governance Code, as Chairperson of the Board, Karen Slatford shall no longer be a member of the Audit, Risk and Valuations Committee but may from time to time be invited to attend and/or to speak at meetings of the committee. The UK Corporate Governance Code recommends that all members of the audit, risk and valuations committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that the Company complies with the requirements of the UK Corporate Governance Code in this respect.

2.4 The Remuneration Committee

The Remuneration Committee recommends the Group's policy on executive remuneration, determines the levels of remuneration for the Company's executive directors and the Chairperson and other senior executives and prepares an annual remuneration report for approval by the Shareholders at the annual general meeting assists the Board in reviewing the structure, size and composition of the Board. The committee is also responsible for reviewing succession plans for the Directors, including the Chairperson and the Chief Executive Officer and other senior executives. The Remuneration Committee will normally meet at least twice a year.

As at the date of this document, the Remuneration Committee forms part of a remuneration and nominations committee that is chaired by Karen Slatford and its other members are Grahame Cook, and Richard Pelly. Following Admission it is proposed that a separate nominations committee be formed. Following Admission, Richard Pelly will chair the Remuneration Committee and its members shall comprise Grahame Cook and Gervaise Slowey. Karen Slatford shall no longer be a member of the Remuneration Committee but may from time to time be invited to attend and/or to speak at meetings of the committee. The UK Corporate Governance Code recommends that all members of the Remuneration Committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the UK Corporate Governance Code in this respect.

2.5 The Nominations Committee

The Nominations Committee is responsible for reviewing succession plans for the Directors, including the Chairperson and the Chief Executive Officer and other senior executives. The Nominations Committee will normally meet at least twice a year.

As at the date of this document, the Nominations Committee forms part of a remuneration and nominations committee that is chaired by Karen Slatford and its other members are Grahame Cook and Richard Pelly. Following Admission it is proposed that a separate nominations committee shall be formed. Following Admission, Karen Slatford will chair the Nominations Committee and its members shall comprise Grahame Cook, Richard Pelly and Gervaise Slowey. The UK Corporate Governance Code recommends that all members of the Nominations Committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the UK Corporate Governance Code in this respect.

2.6 Internal controls

The Board has ultimate responsibility for the Group's system of internal controls and for the ongoing review of their effectiveness. Systems of internal control can only identify and manage risks and not eliminate them entirely. As a result, such controls cannot provide an absolute assurance against misstatement or loss. The Board considers that the internal controls, which have been established and implemented, are appropriate for the size, complexity and risk profile of the Group.

Key internal controls include:

- close management of the day-to-day activities of the Group by the Executive Directors and weekly minuted executive meetings with an agenda of standing items including projects, portfolio, risks, human resources, ESG and cybersecurity;
- an organisational structure with defined levels of responsibility and clear reporting lines;
- specified investment approval levels and financial authority limits;
- a robust approach to valuations;
- a majority of non-executive directors;
- an annual budgeting process, which is approved by the Board;
- monthly management reporting against agreed key performance indicators;
- financial controls to ensure that the assets of the Group are safeguarded and that appropriate accounting records are maintained; and
- external audit.

The Board continues to review the system of internal controls to ensure it is fit for purpose and appropriate for the size and nature of the Company's operations and resources.

2.7 Share dealing code

The Company has adopted a share dealing code in relation to the Ordinary Shares, which is based on the requirements of MAR, EU MAR and Irish MAR.

2.8 Conflicts of interest

It is the Group's intention to meet the highest standards of ethical and market conduct, especially in respect of conflicts of interest. The Group will act in the best interests of its clients at all times.

At the point at which a new potential investment is received, the possibility of a conflict is considered when the introduction is recorded. The possibility of conflicts is also considered by the senior management of the Group during periodic meetings.

The following are the situations where a conflict of interest is likely to arise when a person or firm:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;

- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Where possible, the Group will seek to organise its affairs and business activities in such a way as to minimise the risk of conflicts of interest arising, inclusive of external arrangements. However it is acknowledged that the avoidance of all risks is not feasible in a commercial environment, and so the Group takes all reasonable steps to minimise and mitigate conflicts as much as possible.

Where conflicts of interest are unavoidable, the Group will develop and implement procedures to manage them as best practicable. The steps taken will be implemented to ensure that neither the Group nor its personnel are unfairly advantaged, nor will any client be unfairly disadvantaged by the conflict presented. Where the Group identifies a material conflict that cannot be adequately managed in relation to a particular client, the client will be informed in writing of the conflict presented prior to any business is undertaken. This will include the parties involved, the general nature and circumstance of the conflict, comments on the level of risk presented and confirmation whether it is an actual or potential conflict, and a contact person who is best placed to resolve the conflict.

3 ESG POLICY

The Group's mission is to empower Europe to invent the future. The Group wants that future to be sustainable, fair and accessible to all and aims to use its platform in venture capital to encourage and promote its values and ESG considerations in developing best-in class technology companies and achieving strong returns for Shareholders. Draper Esprit is committed to investing responsibly and embedding environmental, social and governance in everything that it does to accelerate positive change and inspire the next generation of diverse entrepreneurs.

The RI & Sustainability Policy (the principal terms of which are summarised in this paragraph 3 of this Part 9 of this document) sets out the Group's values, ESG goals, and approach to responsible investment.

3.1 The Group's Values

- **Innovation & Ambition:** a new model to do things differently and better. The Group helps entrepreneurs to change the world with its depth of experience, expertise and drive.
- **Collaboration & Community:** the Company is a team of teams working with its community and stakeholders to get the best results and inspire the next generation of entrepreneurs. It's always a group effort.
- **Honesty & Integrity:** trust is built on doing the right thing for the right reasons. The Group acts with integrity and "gives it straight", even when it isn't easy to hear.
- **Long-term & Accountability:** the long-term future requires action and accountability now. The evergreen model allows the Group to see the bigger picture. The Group's governance structures keep the business aligned and accountable to the Group's long-term values and goals.
- **Inclusivity & Diversity:** the Group embraces difference to build a better fairer future for all. The Group seek the brightest and the best, whoever they are and whatever their background.

3.2 Approach

Draper Esprit is committed to a policy of responsible investment through the lifecycle of its investments, from pre-screening to exit. The Group uses various tools and methodologies to screen, evaluate and monitor its investments which are aligned to the United Nations

Sustainable Development Goals (“SDGs”) and the United Nations Principles for Responsible Investment (“PRI”) (to which Draper Esprit became a signatory in 2019). To assist in establishing a framework of what Draper Esprit believes ‘good’ ESG looks like in the Group’s portfolio businesses, Draper Esprit has developed a set of target ESG standards that it applies in its own business and deploy in its direct investment strategy.

The Group also uses its fund of fund programme to strategically target opportunities which have a stated ESG impact focus, including Zinc in London (social impact fund), Future Positive Capital in Paris and London (robotics, synthetic biology, genetic engineering investors to solve large social and environmental challenges), Five Seasons in Paris (impact investment across the food value chain), and Mustard Seed in Lisbon and London (social / environmental impact investor).

3.3 Pre-Investment

All prospective investee companies in which Draper Esprit considers making a direct investment are initially screened against the Group’s exclusion list and thereafter assessed as part of the Group’s ESG due diligence process before a final decision can be taken on the investment. The Group employs a risk scoring system to assess compliance with relevant laws in relation to environmental, social, governance, health and safety, bribery and corruption issues by reference to Draper Esprit’s target ESG standards.

It is Draper Esprit’s belief that the introduction and implementation of the target ESG standards stands to benefit the operations and standing of the investee company as well as the broader environment/community. By using these standards, the Company can effectively create a profile of the businesses in which the Group invests by reference to the nature/location of their operations and workforce, the types of customers/clients they are likely to attract, and the overall quality of management on ESG issues having regard to their commitment, capacity and track record.

3.4 Ownership

Following completion of a direct investment, Draper Esprit internally maps the assessed ESG status of the company against the SDGs (factoring materially thresholds to capture the core nature of the business and its ESG gaps, risks and opportunities). The decision to prioritise SDG alignment as the Group’s core sustainability objective was made at an executive level following consultation with a number of the Group’s key investors on their own priorities and by building a deep understanding of the powerful impact of the SDGs if delivered by 2030 as per the UN’s stated aim.

As part of the onboarding process, the Company typically shares its high level due diligence ESG assessment with the management team of the investee company, and uses this to establish a baseline of discussion points that are specific and material to the business. The Group then aims to collaborate with management to formulate proportionate and company-specific ESG metrics (linked to the SDGs as appropriate) and strategies for ongoing monitoring supported by appropriate policy and governance arrangements. The scope of agreed actions and nature of Draper Esprit support will typically evolve as the business grows and matures, but will often take the form of one-to-one interactions, ESG-focussed events, networking opportunities and integration into the Group’s wider community of companies and investors.

Where agreed, the Group also provides direct assistance in the form of training or financial commitments toward portfolio carbon balancing exercises during the first and second year of ownership.

3.5 Monitoring & Reporting

The Group monitors investee companies’ performance on an ongoing basis against its target ESG standards, the SDGs, and any action plans agreed with management. The outcome of the Group’s monitoring activities are fed into internal discussions about the portfolio holistically from an ESG perspective, and conversations with portfolio management to agree next steps

or remediation actions. As signatories to the PRI, Draper Esprit now reports on investee company ESG data in aggregate and also reports annually to the Group's stakeholders on the ESG activities of the Group and the implementation of this policy.

3.6 ESG in the Group's own operations

The Group is committed to fully embracing and developing ESG within its own operations. Draper Esprit's annual report for the year ended 31 March 2021 contains details of the ESG measures that the Group has taken in each foregoing twelve month period. Activities to date include:

- Engaging with Diversity venture capital (non-profit partnership, made up of interested individuals working in venture capital, who seek to increase diversity of thought in the venture industry) to source three interns from a diverse background to work in Draper Esprit, each for a one year period.
- Minimising the Group's environmental impact through the Group's ongoing ambition to reduce emissions, be carbon balanced and ultimately be net carbon negative.
- Engaging with external providers to advise and assist the Company in connection with the Taskforce for Climate-related Financial Disclosure.
- Maintaining the highest levels of governance and ethical integrity in accordance with the regulatory standards to which the Group is subject by, amongst others, the FCA and the London Stock Exchange.
- Embracing inclusion and diversity in the workplace through continued investment in the best talent, regardless of background, and commitment to continuous professional development, including all-staff training in respect of unconscious bias.
- Implementing and maintaining suitable internal processes, procedures and standards supported by training to ensure the maintenance of suitably high standards of conduct and sufficient expertise.

PART 10

SELECTED FINANCIAL INFORMATION

The tables below set out the Group's selected financial information for the periods indicated, as reported in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and international accounting standards in conformity with the requirements of the Companies Act 2006 ("**UK IFRS**") The audited consolidated financial information for the Group as of and for each of the three years ended 31 March 2019, 2020 and 2021 has been extracted without material adjustment from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

Consolidated statement of comprehensive income

	For the year ended 31 March		
	2019 £'000	2020 £'000	2021 £'000
Change in unrealised gains on investments held at fair value	114,715	40,755	276,307
Fee income	6,101	11,255	12,507
Total investment income	120,816	52,010	288,814
Operating expenses			
General administrative expenses	(7,774)	(9,810)	(13,844)
Depreciation and amortisation	(163)	(520)	(650)
Share based payments – resulting from company share option scheme	(1,100)	(990)	(1,548)
Share based payments – resulting from acquisition of subsidiary	(1,989)	—	—
Investments and acquisition costs	(207)	(239)	(262)
Exceptional items	(34)	—	—
Total operating expenses	(11,267)	(11,559)	(16,304)
Profit from operations	109,549	40,451	272,604
Finance (expense)/income	1,601	(68)	(5,157)
Operating profit before tax	111,150	40,383	267,447
Income taxes	11	(17)	(26)
Profit for the year	111,161	40,366	267,421
Other comprehensive income/(expense)	—	—	—
Total comprehensive income for the year	111,161	40,366	267,421
Profits attributable to:			
Owners of the parent	110,579	39,707	267,421
Non-controlling interest	582	659	—
Earnings per share attributable to owners of the Parent:			
Basic earnings per weighted average shares (pence)	115	34	208
Diluted earnings per weighted average shares (pence)	110	33	206

Consolidated statement of financial position

	As at 31 March		
	2019	2020	2021
	£'000	£'000	£'000
Non-current assets			
Intangible assets	10,130	10,028	10,936
Investments in associates	258	258	—
Financial assets held at fair value through the profit or loss	562,061	657,333	867,088
Property, plant and equipment	209	1,760	1,368
Total non-current assets	572,658	669,379	879,392
Current assets			
Trade and other receivables	1,140	7,719	3,700
Cash and cash equivalents	50,358	32,255	158,417
Restricted cash	—	1,883	2,260
Total current assets	51,498	41,857	164,377
Current liabilities			
Trade and other payables	(4,959)	(5,038)	(9,645)
Financial liabilities	—	(358)	(345)
Total current liabilities	(4,959)	(5,396)	(9,990)
Non-current liabilities			
Deferred tax	(631)	(611)	(362)
Loans and borrowings	—	(44,636)	—
Lease liabilities	—	(975)	(276)
Total non-current liabilities	(631)	(46,222)	(638)
Net assets	618,566	659,618	1,033,141
Equity			
Share capital	1,179	1,189	1,391
Share premium account	395,783	400,726	508,279
Own share reserve	—	—	(331)
Other reserve	25,633	26,259	26,258
Retained earnings	195,737	231,444	497,544
Equity attributable to owners of parent	618,332	659,618	1,033,141
Non-controlling interests	234	—	—
Total equity	618,566	659,618	1,033,141
Net assets per share (pence)	524	555	743

Alternative Performance Measures (“APMs”)

The Group has included the APMs listed below as they highlight key value drivers for the Group and, as such, have been deemed by the Group’s management to provide useful additional information. These measures are not defined by UK IFRS, are unaudited and should be considered in addition to UK IFRS measures.

Gross Portfolio Value

The Gross Portfolio Value is the gross fair value of the Group's investment holdings before deductions for the fair value of carry liabilities and any deferred tax. The Gross Portfolio Value is subject to deductions for the fair value of carry liabilities and deferred tax to generate the net investment value, which is reflected on the consolidated statement of financial position as financial assets held at fair value through profit or loss. Further explanation as to the calculation of fair value in arriving at the total movement in fair value, is set out in the fair value measurements notes of the financial statements in the Company's annual reports for the financial years ended 31 March 2019 (page 95), 31 March 2020 (page 112) and 31 March 2021 (page 153).

Gross Portfolio as at 31 March 2021

Investment	Fair Value of Investments 31 March 2020	Investments £m	Realisations £m	Draper Esprit (Ireland) Limited £m	Total Movement in Fair Value £m	Fair Value of Investments 31 March 2021	Fully Diluted Interest category at 31 March 2021*
Graphcore	86.8	10.3	—	—	11.7	108.8	A
Ui Path	28.0	—	(5.3)	—	77.6	100.3	A
Trustpilot	65.3	—	(75.0)	—	95.2	85.5	B
Aiven	12.8	—	—	—	32.7	45.5	B
Ledger	17.7	—	—	—	24.1	41.8	B
Lyst	10.8	—	—	—	24.3	35.1	C
Aircall	24.3	—	—	—	8.5	32.8	B
RavenPack	30.9	—	—	—	(1.0)	29.9	D
M-Files	20.0	1.5	—	—	8.2	29.7	B
Cazoo	—	10.3	—	—	15.4	25.7	A
Smava	16.7	—	—	—	7.1	23.8	B
Revolut	21.7	—	—	—	(1.3)	20.4	A
Freetrade	—	4.0	—	—	16.0	20.0	B
Perkbox	19.9	—	—	—	(1.3)	18.6	C
SportPursuit**	11.1	—	—	—	7.4	18.5	E
Thought Machine	17.4	—	—	—	1.0	18.4	B
Endomag	6.9	7.0	—	—	1.8	15.7	C
Remaining Portfolio	310.8	94.9	(125.4)	—	30.4	310.7	—
Total	701.1	128.0	(205.7)	—	357.8	981.2	—
Co-invest assigned to Draper Esprit plc	1.8	—	(0.6)	—	1.4	2.6	—
Gross Portfolio Value	702.9	128.0	(206.3)	—	359.2	983.8	—
Carry external	(40.6)	—	—	—	(56.4)	(97.0)	—
Portfolio deferred tax	(5.3)	—	—	—	(14.7)	(20.0)	—
Trading carry & co-invest	0.3	—	—	—	—	0.3	—
Draper Esprit (Ireland) Limited	—	—	—	11.8	(11.8)	—	—
Net portfolio value	657.3	128.0	(206.3)	11.8	276.3	867.1	—

*Fully diluted equity interest in shares as a percentage of fully diluted share capital of each investment categorised as follows: Cat A: 0-5%, Cat B: 6-10%, Cat C: 11-15%, Cat D: 16-25%, Cat E: >25%.

**since 31 March 2021, the Group has realised a further £22.8 million from the sale of its investment in SportPursuit as a consequence of an investment by private equity firm bd-capital.

The Fair Value of Investments as at 31 March 2021 also include any movement in foreign exchange since 31 March 2020.

Draper Esprit (Ireland) Limited is an intermediate holding company. As investments are made through Draper Esprit (Ireland) Limited, given that it is not consolidated under the accounting standards, this line adjusts for cash movements that flow through this vehicle. This adjustment is

necessary to ensure that the column, Total Movement in Fair Value, matches the change in unrealised gains on investments held at fair value in the profit and loss account.

Carry external relates to accrued carry that is due to former employees or managers external to the Group.

Gross Portfolio as at 31 March 2020

Investment	Fair Value of	Investments	Realisations	Draper	Movement	Fair Value of	Fully Diluted
	31 March					Investments	
	2019	£m	£m	(Ireland)	in Fair Value	2020	category at
				Limited	£m		31 March
				£m			2020*
Graphcore	78.6	—	—	—	8.2	86.8	B
Peak Games	41.7	—	—	—	26.1	67.8	B
Trustpilot	62.0	—	—	—	3.3	65.3	C
Ravenpack	15.6	—	—	—	15.3	30.9	D
Ui Path	33.0	—	(4.6)	—	(0.4)	28.0	A
Aircall	9.9	—	—	—	14.4	24.3	B
Revolut	7.4	—	—	—	14.3	21.7	A
M-files	17.2	1.0	—	—	1.8	20.0	B
Perkbox	23.7	—	—	—	(3.8)	19.9	C
Ledger	17.7	—	—	—	0.0	17.7	B
ThoughtMachine	0.0	16.4	—	—	0.9	17.4	B
Smava	23.5	—	—	—	(6.8)	16.7	B
TransferWise	27.7	—	(15.0)	—	2.3	15.0	A
ICEYE	3.7	3.8	—	—	6.4	13.9	B
Aiven	0	5.0	—	—	7.8	12.8	B
FinalCad	12.4	—	—	—	0.0	12.4	C
Remaining Portfolio	217.9	63.6	(19.9)	—	(31.1)	230.5	—
Total	592.0	89.9	(39.5)	—	58.7	701.1	
Co-invest assigned to Draper Esprit plc	2.0	—	—	—	(0.2)	1.8	
Gross Portfolio Value	594.0	89.9	(39.5)	—	58.5	702.9	
Carry external	(27.6)	—	—	—	(13.0)	(40.6)	
Portfolio deferred tax	(5.4)	—	—	—	0.1	(5.3)	
Trading carry & co-invest	1.1	—	—	—	(0.8)	0.3	
Draper Esprit (Ireland) Limited	—	—	—	4.0	(4.0)	0.0	
Net portfolio value	562.1	89.9	(39.5)	4.0	40.8	657.3	

*Fully diluted equity interest in shares as a percentage of fully diluted share capital of each investment categorised as follows: Cat A: 0-5%, Cat B: 6-10%, Cat C: 11-15%, Cat D: 16-25%, Cat E: >25%.

The Fair Value of Investments as at 31 March 2020 also include any movement in foreign exchange since 31 March 2019.

Draper Esprit (Ireland) Limited is an intermediate holding company. As investments are made through Draper Esprit (Ireland) Limited, given that it is not consolidated under the accounting standards, this line adjusts for cash movements that flow through this vehicle. This adjustment is necessary to ensure that the column, Total Movement in Fair Value, matches the change in unrealised gains on investments held at fair value in the profit and loss account.

Carry external relates to accrued carry that is due to former employees or managers external to the Group.

Gross Portfolio as at 31 March 2019

Investment	Fair Value of Investments 31 March		Realisations £m	Draper Esprit (Ireland) Limited £m	Movement in Fair Value £'000	Fair Value of Investments	Fully Diluted Interest
	2018 £'000	Investments £'000				31 March 2019 £'000	category at 31 March 2019*
Graphcore	23,381	9,491	—	—	45,740	78,612	B
Trustpilot	34,333	11,623	—	—	16,016	61,972	C
Peak Games	—	25,374	—	—	16,312	41,686	B
UiPath	—	13,250	—	—	19,704	32,954	A
Lyst	18,341	2,633	—	—	6,788	27,762	C
TransferWise	12,189	—	—	—	15,530	27,719	A
Smava	—	14,549	—	—	9,138	23,687	B
Perkbox	17,495	5,740	—	—	455	23,690	C
Ledger	17,703	—	—	—	—	17,703	B
M-Files	14,359	1,506	—	—	1,308	17,173	B
Ravenpack	5,478	4,207	—	—	5,930	15,615	D
SportPursuit	13,366	1,959	—	—	(1,990)	13,335	E
FinalCad	—	12,444	—	—	—	12,444	C
Podpoint	9,884	—	—	—	1,175	11,059	C
Aircall	—	9,916	—	—	—	9,916	B
Remaining Portfolio	74,663	113,740	(15,984)	—	4,258	176,677	—
Total	241,192	226,432	(15,984)	—	140,364	592,004	—
Co-invest assigned to Draper Esprit plc	2,320	—	—	—	(308)	2,012	—
Gross Portfolio Value	243,512	226,432	(15,984)	—	140,056	594,016	—
Carry external	(11,177)	—	—	—	(16,534)	(27,711)	—
Portfolio deferred tax	(1,848)	—	—	—	(3,504)	(5,352)	—
Trading carry & co- invest	1,423	—	—	—	(315)	1,108	—
Draper Esprit (Ireland) Limited	—	—	—	4,988	(4,988)	—	—
Net portfolio value	231,910	226,432	(15,984)	4,988	114,715	562,061	—

*Fully diluted equity interest in shares as a percentage of fully diluted share capital of each investment categorised as follows: Cat A: 0-5%, Cat B: 6-10%, Cat C: 11-15%, Cat D: 16-25%, Cat E: >25%

The Fair Value of Investments as at 31 March 2019 also include any movement in foreign exchange since 31 March 2018.

Draper Esprit (Ireland) Limited is an intermediate holding company. As investments are made through Draper Esprit (Ireland) Limited, given that it is not consolidated under the accounting standards, this line adjusts for cash movements that flow through this vehicle. This adjustment is necessary to ensure that the column, Movement in Fair Value, matches the change in unrealised gains on investments held at fair value in the profit and loss account.

Carry external relates to accrued carry that is due to former employees or managers external to the Group.

PART 11

OPERATING AND FINANCIAL REVIEW

This Part 11 (Operating and Financial Review) should be read in conjunction with Part 4 (Presentation of Financial and Other Information), Part 7 (Business Description) and Part 15 (Documents Incorporated by Reference). The financial information considered in this Part 11 (Operating and Financial Review) is extracted without material adjustment from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

The following discussion of the Group's results of operations and financial condition contains forward-looking statements. The Group's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly under Part 2 (Risk Factors) and Part 4 (Presentation of Financial and Other Information). The terms "medium term" and "long term" are not intended to be representative of any particular financial year.

1 OVERVIEW

Draper Esprit is a leading venture capital firm investing in and developing high growth digital technology businesses, which was admitted to AIM and the Euronext Growth Market (formerly the Enterprise Securities Market) in June 2016. The Company offers an increasingly broad range of funds, direct investments and tailored investment opportunities. Draper Esprit's platform provides access to high quality business leaders, advisory teams and operational specialists to offer transformative support to help investee companies achieve their growth ambitions. The Company is actively involved in the long term growth of its investee companies, by taking minority positions with customary investor protections, including the appointment of an investor director on the boards of a large number of the investee companies.

The Company has a proven track record and an ambitious asset management strategy focused on accelerating its support to UK and European high-growth technology businesses in need of longer term investment which Draper Esprit is able to provide via its balance sheet and growing base of third party funds.

Draper Esprit's balance sheet investments are managed by Esprit Capital, a wholly owned subsidiary undertaking incorporated in England and Wales. In addition, Encore Ventures, another wholly owned subsidiary, manages, as at 31 March 2021, £175.6 million of EIS funds and Elderstreet Investments, a further wholly owned subsidiary, manages, as at 31 March 2021, a £55.4 million VCT fund. The EIS funds and the VCT fund co-invest alongside Draper Esprit where investments meet the relevant Enterprise Investment Scheme/Venture Capital Trust eligibility requirements. The Company's co-investment strategy allows the Company to lead more deals and increase the total size of investment in investee companies. Draper Esprit recognises the opportunity to link public market/pension fund capital to the venture capital asset class and is building multiple investment strategies (Growth Fund, Seed Fund of Funds) to build third party AUM and fee income alongside the growth of the Company balance sheet.

2 CURRENT TRADING AND PROSPECTS

The Directors' and Proposed Director's focus for the forthcoming year is to continue to scale the Group, both in terms of investment into its portfolio and into the people, systems and processes around the Investment Team. The increased investment cadence in the second half of the financial year ended 31 March 2021 has continued into the current financial year with a near and medium-term pipeline of c.£150 million of deals which, combined with potential new opportunities, could support an annual investment cadence of up to £200 million. During the past year, the Company has hired 6 new people into the Investment Team and Platform Teams.

The Investment Team continues to focus on both primary and follow on investments, identifying the growth opportunities from across the Group's deep network in the UK and European market and within the existing portfolio. It is anticipated that capital deployment for the financial year ending 31 March 2022 will be over £150 million, including commitments to be made to the Growth Fund in due course and further commitments being made to the Seed Fund of Funds programme (of which

£7.3 million of firm commitments have been made and a further £17.9 million have been approved as at the date of this document), in addition to deployments via existing commitments to Earlybird Fund VII and Earlybird Growth Opportunities Fund. Capital deployment for the financial year ended 31 March 2022 will be funded from the Group's existing cash balances and any future realisations.

Progress continues with third party capital raising for the Growth Fund, and with the acquisitions of the non-controlling interests over the past year of Encore Ventures and Elderstreet Investments the Company has continued to broaden the investor base, with additional capital raised that co-invests alongside the Company. Further detail relating to the Group's non-controlling interests are set out in note 18 of the audited financial statements of the Group for the financial year ended 31 March 2021, which are incorporated into this document by reference.

3 SIGNIFICANT FACTORS AFFECTING DRAPER ESPRIT'S RESULT AND OPERATIONS

3.1 Investments made

The Group deploys its funds by way of primary investments into new investee companies, follow-on investments into existing investee companies; stake building into new and existing investee companies via secondary investments and through commitments to other seed and venture funds. The table below shows the Group's investments for each of the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021.

	For the year ended 31 March		
	2019	2020	2021
	£m	£m	£m
Core portfolio investments			
Primary investments	22	16	10
Follow-on investments	23	5	24
Secondary investments	67	—	—
Other investments (e.g. fund-of-funds)	—	5	—
Sub total	112	26	34
Other investments			
Primary investments	38	22	41
Follow-on investments	10	18	10
Secondary investments	29	—	—
Other investments (e.g. fund-of-funds)	37	24	43
Sub total	114	64	94
Total	226	90	128

3.2 Realisations

The Group realises cash from the sale of investee companies, which is measured against the original cost of investment. The table below shows the Group's disposals for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021.

	For the year ended 31 March		
	2019	2020	2021
	£m	£m	£m
Core portfolio disposals	—	19.6	80.3
Other disposals	16.0	19.9	126.0
Total	16.0	39.5	206.3

3.3 Gross Portfolio Value

Gross Portfolio Value is the gross value of the Group's investment holding before deductions for fair value of carry liabilities and any deferred tax. Fair value is determined using International Private Equity and Venture Capital Valuation Guidelines. The table below shows the Gross Portfolio Value and the net portfolio value as at March 2019, 31 March 2020 and 31 March 2021.

	As at 31 March		
	2019 £m	2020 £m	2021 £m
Gross Portfolio Value	594.0	702.9	983.8
Carried interest	(27.7)	(40.6)	(97.0)
Deferred tax	(5.3)	(5.3)	(20.0)
Trading carried interest and co-invest	1.1	0.3	0.3
Net portfolio value	562.1	657.3	867.1

3.4 Fee income

The Group's revenue is derived solely within the UK. The table below shows an analysis of the Group's revenue for the financial years ended March 2019, 31 March 2020 and 31 March 2021.

	For the year ended 31 March		
	2019 £'000	2020 £'000	2021 £'000
Management fees	6,052	11,213	12,462
Portfolio directors' fees	49	42	45
Total	6,101	11,255	12,507

Management fees primarily relate to fees received by Esprit Capital Partners from related parties (Esprit Investments (1) LP, Esprit Investments (1) (B) LP, Esprit Investments (2) LP, Esprit Investments (2) (B) LP, Draper Esprit (Ireland) Limited, Esprit Capital III LP and Esprit Capital IV LP). For the year ended 31 March 2021, Esprit Capital Partners received £9.2 million of management fees from these related parties. It also includes fees from the EIS funds. Management fees are either earned at a fixed annual rate or are set at a fixed percentage of funds under management, measured by commitments or invested cost, depending on the stage of the fund being managed. Revenues are recognised as the related services are provided. The Group's management fees are typically billed quarterly or half-yearly in advance. Where fees have been billed for an advance period, the amounts are credited to deferred income, and then subsequently released through the profit and loss during the period to which the fees relate. Certain performance fees and portfolio directors' fees are also billed in advance and these amounts are credited to deferred income, and then subsequently released through the profit and loss accounting during the period to which the fees relate.

Portfolio Directors' fees are annual fees charged to an investee company. Directors' fees are only charged on a limited number of the investee companies.

3.5 Cash balances

It is important that the Group maintains sufficient liquidity to meet operational requirements in order for it to take advantage of investment opportunities and support the growth of its investee companies. The table below shows the Group's cash balances as at 31 March 2019, 31 March 2020 and 31 March 2021.

	As at 31 March		
	2019 £'000	2020 £'000	2021 £'000
Cash and cash equivalents	50,358	32,255	158,417
Restricted cash	—	1,883	2,260
Total	50,358	34,138	160,677

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, held in readily accessible bank accounts. The carrying amount of these assets is approximately equal to their fair value. Responsibility for liquidity risk management rests with the Board, which has established a framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

As collateral for interest payments under the Group's credit facility, an amount equal to the aggregate amount of interest costs due for the coming 6 months, all being equal, must be held in an interest reserve account at all times. The balance of this is reflected on the consolidated statement of financial position as restricted cash.

4 KEY PERFORMANCE INDICATORS

Draper Esprit monitors several key performance indicators ("KPIs") to evaluate trends, establish budgets and assess the operational and financial performance of its performance. These measures are derived from the Group's internal systems. Some of these measures are not determined in accordance with generally accepted accounting principles, including UK IFRS and, accordingly, are susceptible to varying calculation and may not be comparable with other similarly titled measures of performance of other companies.

Draper Esprit considers growth in the value of its portfolio, the amount of realised cash, the number of new investments, the ESG standards of its investee companies, wider market deal flow (i.e. the number of private company financing rounds across Europe) and its cash balances to be the KPIs used by the Company to help evaluate trends, establish budgets and assess the operational and financial performance of its performance.

KPIs	Measurement	Progress during FY21	Focus for FY22
1. Growth in value of the portfolio	Gross Portfolio Value determined using IPEV Guidelines.	Gross Portfolio Value has increased to £983.8 million, with a fair value movement of £359.2 million reflecting a fair value increase of 51% from FY20 (FY20: £702.9 million).	15% target growth in FY22
2. Realising cash	Cash generated from portfolio company exits against original cost.	£206.3 million realised in the year (FY20: £39.5 million).	Realised cash target of an amount equal to 10-15% of the Gross Portfolio Value in FY22.
3. New investments	Deploying funds for investments into new portfolio companies,	£128.0 million invested in the year from the Company	Increasing the investment cadence

KPIs	Measurement	Progress during FY21	Focus for FY22
	follow-on investments into existing companies, stake building into existing companies and secondary investments.	(FY20: £89.9 million), with a further £33.8 million from EIS/VCT funds (FY20: 38.1 million).	with a target of over £150.0 million in FY22.
4. Deal flow	Tracking private company financing rounds across Europe and analysing against the Group's internal Customer Relationship Management database to determine if the opportunity was known to the Group.	The Group continued to build the Platform Team and enhance its deal origination processes, as evidenced by the calibre of investments made during the year.	Through the Group's brand and network, the Company intends to continue to access high quality deal flow across Europe.
5. Cash balances	Maintaining sufficient liquidity to meet operational requirements, take advantage of investment opportunities and support the growth of portfolio companies.	£160.7 million (FY20: £34.1 million) at year-end, including restricted cash. Undrawn balance from the Company's revolving credit facility at year-end was £60.0 million. (FY20: £5.0 million).	Maintenance of 12–18 months of cash resources.
6. ESG	Progress against Draper Esprit's ESG KPIs 1-4 (as set out at page 61 of the audited financial statements of the Group for the financial year ended 31 March 2021).	The Group continued to work through its ESG roadmap (see pages 60–70 of the audited financial statements of the Group for the financial year ended 31 March 2021)	Execute on the Company's ESG KPIs 1-4.

The Company believes that these KPIs provide alternative measures by which to assess the operating performance of the Group and, together with UK IFRS measures, are useful in evaluating the Group's operating performance.

5 DESCRIPTION OF KEY LINE ITEMS IN DRAPER ESPRIT'S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

5.1 Change in unrealised gains on investments held at fair value through the profit and loss

The Group holds investments through investment vehicles it manages. The investments are predominantly in unlisted securities and are carried at fair value through the profit and loss. The Group's valuation policy is set out at paragraph 7 of Part 7(Business Description) of this document.

5.2 Fee income

Revenue is derived predominantly from within the UK, from continuing operations for all years and comprises management fees and portfolio director fees.

5.3 Operating expenses

General administrative expenses comprise general employee and employee related expenses, operating lease rentals, legal and professional fees, travel expenses, marketing expenses, IT expenses and other administrative costs.

5.4 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each relevant jurisdiction in which income was received, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries in which the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. Deferred income tax is not accounted for if it arises from Initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

6 RESULTS OF OPERATIONS

The table below presents the Group's results of operations for the periods indicated and has been extracted from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

	For the year ended 31 March		
	2019 £'000	2020 £'000	2021 £'000
Change in unrealised gains on investments held at fair value	114,715	40,755	276,307
Fee income	6,101	11,255	12,507
Total investment income	<u>120,816</u>	<u>52,010</u>	<u>288,814</u>
Total operating costs	(11,267)	(11,559)	(16,304)
Profit from operations	109,549	40,451	272,604
Finance (expense)/income	1,601	(68)	(5,157)
Operating profit before tax	111,150	40,383	267,447
Income taxes	11	(17)	(26)
Profit for the year	<u>111,161</u>	<u>40,366</u>	<u>267,421</u>

6.1 Comparison of results of operation for the year ended 31 March 2021 and the year ended 31 March 2020

6.1.1 Change in gains on investments held at fair value through the profit and loss

Change in gains on investments held at fair value through the profit and loss for the financial year ended 31 March 2021 increased by £235.6 million (578%) to £276.3 million, compared to £40.8 million for the financial year ended 31 March 2020. The increase was primarily due to a significant increase in the realised and unrealised gains on investments compared to the previous year and offset by a net foreign exchange loss on investments during the course of the year. The

table below shows the change in gains on investments held at fair value through the profit and loss for the year ended 31 March 2021 and the year ended 31 March 2020.

	For the year ended 31 March	
	2020 £'000	2021 £'000
Change in unrealised gains on investments held at fair value through the profit and loss	(4,266)	183,575
Change in realised gains on investments held at fair value through the profit and loss	21,921	143,941
Net foreign exchange (loss)/gain on investments held at fair value through the profit and loss	23,100	(51,209)
Total movements on investments held at fair value through the profit and loss	40,755	276,307

A change in unrealised gains on investments is a change in the potential profit that exists on paper resulting from investments. See also the explanation in Paragraph 5.1 of this Part 11. A change in realised gains is a change in profit from investments which have been crystallised i.e. sold.

6.1.2 Fee income

Change in fee income for the financial year ended 31 March 2021 increased by £1.3 million (11.1%) to £12.5 million, compared to £11.3 million for the financial year ended 31 March 2020. The increase was primarily due to an increase in the capital the Group deployed, upon which certain management fees are based. The table below shows the change in fee income for the year ended 31 March 2021 and the year ended 31 March 2020.

	For the year ended 31 March	
	2020 £'000	2021 £'000
Management fees	11,213	12,462
Portfolio directors' fees	42	45
Total	11,255	12,507

6.1.3 Operating expenses

Change in operating expenses for the financial year ended 31 March 2021 increased by £4.7 million (41.1%) to £16.3 million, compared to £11.6 million for the financial year ended 31 March 2020. The increase reflects the investment in the Group's infrastructure as it continued to build the infrastructure to facilitate future growth (including associated recruitment fees) as well as increases in marketing costs and professional fees. The table below shows the change in operating expenses for the year ended 31 March 2021 and the year ended 31 March 2020.

	For the year ended 31 March	
	2020 £'000	2021 £'000
General and administrative expenses	(9,810)	(13,844)
Depreciation and amortisation	(520)	(650)
Share based payments – resulting from company share option scheme	(990)	(1,548)
Share based payments – resulting from acquisition of subsidiary	—	—
Investments and acquisition costs	(239)	(262)
Exceptional items	—	—
Total operating costs	(11,559)	(16,304)

The Group anticipates its operating expenses to continue to increase in the short to medium term as it continues its investment in its infrastructure. The Group will continue to aim to keep its net operating costs (net of fee income) less than 1% as a percentage of NAV.

6.1.4 Income taxes

Change in income tax charges for the financial year ended 31 March 2021 increased by c.£9,000 to c.£26,000, compared to c.£17,000 for the financial year ended 31 March 2020. The increase was primarily due to an increase in realised gains on investments. The table below shows the change in income taxes for the year ended 31 March 2021 and the year ended 31 March 2020.

	For the year ended 31 March	
	2020 £'000	2021 £'000
Current tax expense		
Current tax on profits for the year	2	339
Adjustments for under/(over) provision in prior year	35	(65)
Total current tax	37	274
Deferred tax expense		
Arising on business combinations	(20)	(23)
Other temporary differences	—	(225)
Total deferred tax	(20)	(248)
Total tax charge for the year	17	26

The UK standard rate of corporation tax is 19% (for the year ending 31 March 2020: 19%).

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit / (loss) for the year before tax are as follows:

	For the year ended 31 March	
	2020 £'000	2021 £'000
Profit / (loss) for the year before tax	40,383	267,447
Tax using the Company's domestic tax rate of 19% (2020:19%)	7,673	50,815
Income not subject to tax	—	(18)
Unrealised gains on investments	(7,743)	(50,713)
Others	87	(58)
Total tax charge for the year	17	26

6.2 Comparison of results of operation for the year ended 31 March 2020 and the year ended 31 March 2019

6.2.1 Change in unrealised gains on investments held at fair value

Change in unrealised gains on investments held at fair value for the financial year ended 31 March 2020 decreased by £73.96 million (64.47%) to £40.76 million, compared to £114.72 million for the financial year ended 31 March 2019. The decrease was primarily due to the Group lowering growth forecasts for 2020 and 2021 for investee companies whose business sector or model were directly impacted by COVID-19. The Group consistently applied multiples lower than those prevailing for comparable quoted companies to mitigate stock market volatility. The table below shows the change

in unrealised gains on investments held at fair value for the year ended 31 March 2020 and the year ended 31 March 2019.

	For the year ended 31 March	
	2019 £'000	2020 £'000
Change in unrealised gains on investments held at fair value through the profit and loss	114,715	40,755

6.2.2 Fee income

Change in fee income for the financial year ended 31 March 2020 increased by £5.15 million (84.48%) to £11.26 million, compared to £6.10 million for the financial year ended 31 March 2019. The increase was primarily due to an increase in the capital the Group deployed, upon which certain management fees are based, the increase in third party funds managed by the Group and the acquisition of the interests in Encore Ventures that were not already held by the Group. The table below shows the change in fee income for the year ended 31 March 2020 and the year ended 31 March 2019.

	For the year ended 31 March	
	2019 £'000	2020 £'000
Management fees	6,052	11,213
Portfolio directors' fees	49	42
Total	6,101	11,255

6.2.3 Operating expenses

Change in operating expenses for the financial year ended 31 March 2020 increased by £0.29 million (2.57%) to £11.56 million, compared to £11.27 million for the financial year ended 31 March 2019. The increase reflects the investment in the Group's infrastructure as it continued to build the infrastructure to facilitate future growth (including associated recruitment fees) as well as increases in marketing costs and professional fees. Net operating costs (net of fee income) as a percentage of NAV was substantially less than 1%. The table below shows the change in operating expenses for the year ended 31 March 2020 and the year ended 31 March 2019.

	For the year ended 31 March	
	2019 £'000	2020 £'000
General and administrative expenses	(7,774)	(9,810)
Depreciation and amortisation	(164)	(520)
Share based payments – resulting from company share option scheme	(1,100)	(990)
Share based payments – resulting from acquisition of subsidiary	(1,989)	—
Investments and acquisition costs	(207)	(239)
Exceptional items	(34)	—
Total operating costs	(11,267)	(11,559)

6.2.4 Income taxes

Change in income taxes for the financial year ended 31 March 2020 increased by c.£28,000 to c.£17,000, compared to c.£(11,000) for the financial year ended 31 March 2019. The increase was primarily due to the tax charge for the year not being wholly offset by the Group's realised losses on investments for the year. The table below shows the change in income taxes for the year ended 31 March 2020 and the year ended 31 March 2019.

	For the year ended 31 March	
	2019 £'000	2020 £'000
Current tax expense		
Current tax on profits for the year	—	2
Adjustments for under/(over) provision in prior year	—	35
Total current tax	—	37
Deferred tax expense		
Arising on business combinations	(11)	(20)
Reversal of amounts previously recognised	—	—
Total tax charge for the year	(11)	17

7 LIQUIDITY AND CAPITAL RESOURCES

The Group's primary sources of liquidity are the cash flows it generates from its operations, realisations of its investments and borrowings. The primary use of this liquidity is to fund the Group's operations (including the purchase of investments).

7.1 Cash flows

The table below presents a summary of the Group's cash flows for the periods indicated, which have been extracted without material adjustment from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

	Year ended 31 March 2019 £'000	Year ended 31 March 2020 £'000	Year ended 31 March 2021 £'000
Net cash flow from operating activities	(214,742)	(60,564)	73,151
Net cash flow from investing activities	62	(368)	(793)
Net cash flow from financing activities	206,916	43,478	57,529
Net cash flow for the year	(7,764)	(17,454)	129,887
Cash and cash equivalents, beginning of year	56,641	50,358	34,138
Effects of exchange rate changes on cash and cash equivalents	1,481	1,234	(3,348)
Cash and cash equivalents at end of the year	50,358	32,255	158,417
Restricted cash	—	1,883	2,260
Cash and cash equivalents and restricted cash at end of the year	50,358	34,138	160,677

7.1.1 Cash flow from operating activities

Net cash inflow from operating activities for the year ended 31 March 2021 was £73.2 million compared to a net cash outflow of £60.6 million for the year ended 31 March 2020. The net cash inflow in 2021 was primarily due to an increase in the proceeds from disposals in underlying investments.

Net cash outflow from operating activities for the year ended 31 March 2020 was £60.6 million compared to a net cash outflow of £214.7 million for the year ended 31 March 2019. The net cash outflow in 2020 reduced primarily due to purchasing less investments and a smaller change in unrealised gains on investments held at fair value through the profit and loss.

7.1.2 Cash flow used in investing activities

Net cash outflow from investing activities for the year ended 31 March 2021 was £793,000 compared to a net cash outflow of £368,000 for the year ended 31 March 2020. The net cash outflow in 2021 was primarily due to the acquisition of the remaining shares of a subsidiary, Elderstreet Investments Limited.

Net cash outflow from investing activities for the year ended 31 March 2020 was £368,000 compared to a net cash inflow of £62,000 for the year ended 31 March 2019. The net cash outflow in 2020 increased primarily due to an increase in purchasing property, plant and equipment.

7.1.3 Cash flow from financing activities

Net cash inflow from financing activities for the year ended 31 March 2021 was £57.5 million compared to a net cash inflow of £43.2 million for the year ended 31 March 2020. The net cash inflow in 2021 was primarily due to the gross proceeds from the issue of share capital.

Net cash inflow from financing activities for the year ended 31 March 2020 was £43.2 million compared to a net cash inflow of £206.9 million for the year ended 31 March 2019. The net cash inflow in 2020 reduced primarily due to the Company receiving the proceeds from its drawdown loan but not carrying out any equity fundraisings during the course of the year which meant that it did not receive any proceeds from such equity fundraisings.

7.2 Borrowings

In June 2019 the Company entered into a revolving credit facility agreement with Silicon Valley Bank and Investec Bank plc (together the “**Banks**”) of £50.0 million over a 3-year term to provide financial flexibility and to fund the future growth plans of investee companies. The debt facility was originally repayable on maturity (June 2022) unless certain conditions are not met, in which case the facility may be repayable earlier. An increase of the revolving credit facility by £10.0 million to £60.0 million was agreed in June 2020 and this was further increased to £65.0 million in June 2021. The debt facility is now repayable on maturity in June 2024 unless certain conditions are not met, in which case the facility may be repayable earlier.

All interest-related charges are reported in profit or loss are included within finance costs or finance income. The bank loans are secured on agreed assets of the Group within the asset class of investments, updated as agreed with the Banks from time to time, and are subject to customary financial and non-financial conditions with which the Group must comply.

As at the date of this document, the facility was undrawn.

7.3 Commitments and Contingent Liabilities

The Group leases office buildings in London for use by its staff. The Group also has an office in Dublin, however the contract for this office is classified as a service contract and not a lease. The Group leases IT equipment such as printers for use by staff. The Group has elected to apply the recognition exemption for leases of low value to these leases.

The Group recorded right-of-use assets relating to properties that were subject to leases amounting to £0.96 million, £1.31 million and £nil as at 31 March 2021, 2020 and 2019 respectively.

The Group recorded the following liabilities in respect of leases as at 31 March 2021, 2020 and 2019.

Lease liabilities included in the consolidated statement of financial position	Year ended 31 March 2019 £'000*	Year ended 31 March 2020 £'000	Year ended 31 March 2021 £'000
Current	—	(358)	(345)
Non-current	—	(975)	(669)
Total lease liabilities	—	(1,333)	(1,014)

* As at 31 March 2019 no lease liability was recognised as the Group only adopted the new lease accounting standard, IFRS 16, on 1 April 2019.

As at 31 March 2021 Draper Esprit has invested in 7 Earlybird funds and 35 seed funds from across Europe, committing £230.3 million in aggregate.

	Year ended 31 March 2021 £'000		Total committed (undrawn and drawn down)
	Undrawn	Drawn down	
Earlybird funds			
Earlybird Digital East I	816	16,496	17,312
Earlybird Digital East II	3,684	576	4,260
Earlybird Fund IV	—	28,677	28,677
Earlybird Fund VI	6,324	68,221	74,545
Earlybird Fund VII	11,927	2,982	14,909
Earlybird Growth Opportunities Fund	3,834	8,945	12,779
Earlybird V Special Opportunities	—	10,574	10,574
Total	26,585	136,471*	163,056
Seed funds	41,700	25,500	67,200
Total	68,285	161,971	230,256

* The Group's total exposure to the Earlybird funds as at 31 March 2021 was £287.0 million, consisting of £136.5 million of drawn down commitments and fair value movements of £150.5 million.

Undrawn commitments will be funded from the Group's existing cash balances together with any future realisations.

8 DIVIDEND POLICY

It is the current intention of the Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Group's portfolio. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of and investment opportunities available to the Group.

9 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group holds investments through investment vehicles which are predominantly managed by Group entities. The investments are predominantly in unlisted securities and are carried at fair value through the profit and loss. The table below sets out the movement in the balance sheet value of investments from the start to the end of the year, showing investments made, cash receipts and fair value movements.

	Year ended 31 March 2019 £'000	Year ended 31 March 2020 £'000	Year ended 31 March 2021 £'000
As at 1 April	231,910	562,061	657,333
Investments made in the year ^{1,2}	226,432	89,935	127,976
Investments settled in shares ^{1,2}	309	—	—
Loans repaid from underlying investment vehicles	(15,984)	(39,533)	(206,341)
Loans made to underlying investment vehicles ¹	4,679	4,115	11,813
Unrealised gains on the revaluation of investments ³	114,715	40,755	276,307
As at 31 March	562,061	657,333	867,088

1 Investments and loans made in the year are amounts the Company has invested in underlying investment vehicles. This is not the equivalent to the total amount invested in investee companies as existing cash balances from the investment vehicles are reinvested.

2 Investments made in the year ended 31 March 2019 include non-cash consideration of £0.3 million. See separate line.

3 Unrealised gains on the revaluation of investments are as a result of movements measured at fair value through the profit and loss according to the Group's valuation policy and the following fair value hierarchy: (a) Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; (b) Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and (c) Level 3: inputs are unobservable inputs for the asset or liability. All investments are held at fair value through the profit and loss are classified as Level 3 in the fair value hierarchy. Consequently, the values of investments at balance sheet date are considered to be entirely based on Level 3 inputs. Each portfolio company will be subject to individual assessment. Where the Group invests in fund of fund investments, the value of the portfolio will be reported by the fund to the Group. The Group will ensure that the valuations comply with the Group policy. The valuation multiple is the main assumption applied to valuation based on a revenue-multiple methodology. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry and geography, and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. They are also adjusted to represent our longer-term view of performance through the cycle or the Group's existing assumption.

10 INTANGIBLE ASSETS

The tables below set out a summary of the intangible assets of the Group for the periods indicated, which have been extracted without material adjustment from the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

31 March 2021	Goodwill⁽¹⁾ £'000	Customer contracts⁽²⁾ £'000	Total £'000
Cost			
Cost carried forward as at 1 April 2020	9,653	818	10,471
Additions during the year	697	328	1,025
Cost as at 31 March 2021	10,350	1,146	11,496
Accumulated amortisation			
Amortisation carried forward as at 1 April 2020	—	(443)	(443)
Charge for the year	—	(117)	(117)
Accumulated amortisation as at 31 March 2021	—	(560)	(560)
Net book value:			
As at 31 March 2021	10,350	586	10,936
As at 31 March 2020	9,653	375	10,028
31 March 2020	Goodwill⁽¹⁾ £'000	Customer contracts⁽²⁾ £'000	Total £'000
Cost			
Cost carried forward as at 1 April 2019	9,653	818	10,471
Additions during the year	—	—	—
Cost as at 31 March 2020	9,653	818	10,471
Accumulated amortisation			
Amortisation carried forward as at 1 April 2019	—	(341)	(341)
Charge for the year	—	(102)	(102)
Accumulated amortisation as at 31 March 2020	—	(443)	(443)
Net book value:			
As at 31 March 2020	9,653	375	10,028
As at 31 March 2019	9,653	477	10,130

31 March 2019	Goodwill⁽¹⁾ £'000	Customer contracts⁽²⁾ £'000	Total £'000
Cost			
Cost carried forward as at 1 April 2018	9,653	818	10,471
Additions during the year	—	—	—
Cost as at 31 March 2019	9,653	818	10,471
Accumulated amortisation			
Amortisation carried forward as at 1 April 2018	—	(239)	(239)
Charge for the year	—	(102)	(102)
Accumulated amortisation as at 31 March 2019	—	(341)	(341)
Net book value:			
As at 31 March 2019	9,653	477	10,130
As at 31 March 2018	9,653	579	10,232

- During the year, goodwill of £0.7 million arose on the step acquisition of all issued share capital in Elderstreet Holdings Limited. Elderstreet Holdings Limited is the holding company of Elderstreet Investments Limited, a VCT manager incorporated in the UK, on 9 February 2021 and represents the value of the acquired expertise and knowledge of the investment team. The Directors have identified the fund managers as the cash-generating unit ("CGU") being the smallest group of assets that generates cash inflows independent of cash flows from other assets or groups of assets. The fund managers are responsible for generating deal flow and working closely with the investee companies to create value and maximise returns for the Group. The Group tests Goodwill annually for impairment comparing the recoverable amount using value-in-use calculations and the carrying amount. Value-in-use calculations are based on future expected cash flows generated by the CGU fee income from management fees over the next three years with reference to the most recent financial budget and forecasts. A three-year cash flow period was deemed appropriate for value in use calculation given the terms of the Investment Management Agreement. The key assumptions for the value in use calculations are the discount rate using pre-tax rates that reflect the current market assessments of the time value of money and risks specific to the CGU. The internal rate of return ("IRR") will be based on past performance and experience. Goodwill of £9.7 million arose on the acquisition of all the capital interests in Esprit Capital Partners LLP, a Venture Capital manager based in the UK, on 15 June 2016 and represents the value of the acquired expertise and knowledge of the fund managers. The Directors have identified the fund managers as the cash-generating unit ("CGU") being the smallest group of assets that generates cash inflows independent of cash flows from other assets or groups of assets. The fund managers are responsible for generating deal flow and working closely with investee companies to create value and maximising returns for the Group. The Group tests goodwill annually for impairment comparing the recoverable amount using value-in-use calculations and the carrying amount. Value-in-use calculations are based on future expected cash flows generated by the CGU fee income from management fees over the next five years with reference to the most recent financial budget and forecasts. A 5-year cash flow period was deemed appropriate for the value in use calculation given the patient capital model adopted by the Group. The key assumptions for the value in use calculations are the discount rate using pre-tax rates that reflect the current market assessments of the time value of money and risks specific to the CGU. The internal rate of return ("IRR") used was based on past performance and experience. The discount rate used was 10% and the IRR used was 20%.
- An intangible asset of £0.3 million was recognised in respect of the anticipated profit from the participation in Elderstreet Investments Limited following the acquisition of the remaining issued share capital the Group did not previously owned on 9 February 2021. An intangible asset of £0.8 million was recognised in respect of the anticipated profit from the participation in Encore Ventures LLP as a consequence of the acquisition of Esprit Capital Partners LLP.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional

information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

11 OFF BALANCE SHEET COMMITMENTS

Save for its undrawn commitments in the Earlybird funds and the seed funds (see paragraph 7.3 of this Part 11 of this document for further details), the Group did not have any material off-balance sheet liabilities or other off-balance sheet commitments as at 31 March 2021.

12 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET, LIQUIDITY AND CREDIT RISKS

The Group typically group financial risks by type: market, liquidity and credit.

12.1 Market risk – foreign currency

A significant portion of the Group’s investments and cash deposits are denominated in a currency other than Sterling. The principal currency exposure risk is due to changes in the exchange rate between GBP and USD/EUR. Presented below is an analysis of the theoretical impact of 10% volatility in the exchange rate on shareholder equity.

Theoretical impact of a change in the exchange rate of +/-10 per cent. between GBP and USD/EUR would be as follows:

	31 March 2019 £'000	31 March 2020 £'000	31 March 2021 £'000
Foreign currency exposures – Investments			
Investments	412,146	557,567	764,321
10% decrease in GBP*	456,632	619,519	849,207
10% increase in GBP**	375,948	506,879	694,869

* £530.8 million (2020: £376.5 million, 2019: £305.0 million) denominated in USD and £318.4 million (2020: £242.9 million, 2019: £151.0 million) denominated in EUR.

** £434.4 million (2020: £308.1 million, 2019: £250.0 million) denominated in USD and £260.5 million (2020: £198.8 million, 2019: £126.0 million) denominated in EUR.

Certain cash deposits held by the Group are denominated in EUR and USD. The theoretical impact of a change in the exchange rate of +/-10 per cent. between GBP and USD/EUR would be as follows:

	31 March 2019 £'000	31 March 2020 £'000	31 March 2021 £'000
Foreign currency exposures – Cash			
Cash denominated in EUR	10,522	6,976	40,565
10% decrease in EUR:GBP	9,470	6,278	36,508
10% increase in EUR:GBP	11,574	7,673	44,621
Cash denominated in USD	9,746	3,627	26,253
10% decrease in USD:GBP	8,771	3,264	23,627
10% increase in USD:GBP	10,721	3,990	28,878

The combined theoretical impact on shareholders' equity of the changes to revenues, investments and cash and cash equivalents of a change in the exchange rate of +/-10% between GBP and USD/EUR would be as follows:

Foreign currency exposures – equity	31 March 2019 £'000	31 March 2020 £'000	31 March 2021 £'000
Shareholders' equity	618,332	659,618	1,033,141
10% decrease in EUR:GBP/USD:GBP	556,499	593,656	929,827
10% increase in EUR:GBP/USD:GBP	680,166	725,580	1,136,455

12.2 Market risk – price risk

Market price risk arises from the uncertainty about the future prices of financial instruments held in accordance with the Group's investment objectives. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements.

The Group is exposed to equity price risk in respect of equity rights and investments held by the Group and classified on the balance sheet as financial assets at fair value through profit or loss. These equity rights are held in unquoted high growth technology companies and are valued by reference to revenue or earnings multiples of quoted comparable companies, last round price, or NAV of underlying fund. These valuations are subject to market movements.

The Group seeks to manage this risk by routinely monitoring the performance of these investments, employing stringent investment appraisal processes.

Theoretical impact of a fluctuation of +/-10 per cent. would have the following impact:

£'000	Revenue- multiple	NAV of underlying fund	Last round price
As at 31 March 2021	32,600	11,800	45,100
As at 31 March 2020	40,131	6,810	23,169
As at 31 March 2019	21,781	7,921	29,496

12.3 Liquidity risk

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of 3 months or less held in readily accessible bank accounts. The carrying amount of these assets is approximately equal to their fair value. Responsibility for liquidity risk management rests with the Board, who have established a framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The utilisation of the loan facility and requirement for utilisation requests is monitored as part of this process.

Lease liabilities fall due over the term of the lease. The debt facility has a term of 3 years (extended in June 2021 to mature on 2 June 2024). All other Group payable balances at balance sheet date and prior periods fall due for payment within 1 year.

As part of the Group's seed fund of funds strategy, the Group makes commitments to funds to be drawn down over the life of the fund. Projected drawdowns are monitored as part of the monitoring process above.

12.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. The Group is exposed to this risk for various financial instruments; for example, by granting receivables to customers and placing deposits. The Group's trade receivables are amounts due from the investment funds under management, or underlying investee companies. The Group's maximum exposure to credit risk is limited to the carrying amount of trade receivables and cash at bank and in hand at 31 March, as summarised below.

Classes of financial assets impacted by credit risk, carrying amounts	31 March 2019 £'000	31 March 2020 £'000	31 March 2021 £'000
Trade receivables	424	2,669	2,535
Loan to related investment vehicle	—	3,692	—
Cash at bank and in hand	50,358	32,255	158,417
Restricted cash	—	1,883	2,260
Total	50,782	40,499	163,212

The Directors consider that all the above financial assets, which are not impaired for each of the reporting dates under review, are of good credit quality. In respect of trade and other receivables, the Group is not exposed to significant risk as the principal customers are the investment funds managed by the Group, and in these the Group has control of the banking as part of its management responsibilities.

Investments in unlisted securities are held within limited partnerships for which the Group acts as manager, and consequently the Group has responsibility itself for collecting and distributing cash associated with these investments. The credit risk of amounts held on deposit is limited by the use of reputable banks with high quality external credit ratings and as such is considered negligible. The majority of cash is held with institutions with an A rating at year ended 31 March 2021.

12.5 Capital management

The Group's objectives when managing capital are to: (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and (ii) maintain an optimal capital structure.

The Group is funded through equity and debt at the balance sheet date. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to manage cash.

12.6 Interest rate risk

The Group's interest rate risk arises from borrowings on the £65.0 million loan facility with Silicon Valley Bank and Investec Bank plc, which was originally entered into in June 2019 and subsequently extended and varied on 15 June 2020 and on 2 June 2021. Prior to the year ending 31 March 2020, the Group did not have any borrowings. The Group's borrowings are denominated in GBP and are carried at amortised cost. Six drawdowns totalling £50.0 million were made on the facility during the year ending 31 March 2020 at an interest rate of 7.5% all of which has since been repaid). Future drawdowns may be subject to a different interest rate. Following the extension and variation of the facility agreement on 2 June 2021, the facility has an interest rate calculated with reference to the Bank of England base rate (currently 0.10%) with a margin of 6.25%. As such, if the base rate increases, the interest charged on future drawdowns will increase.

If the Bank of England base rate had been 1.0% higher during the year to 31 March 2021 the difference to the consolidated statement of comprehensive income would have been an increase in finance costs of £0.1 million and the difference to the consolidated statement of cash flows would have been an increase in expenditure of £0.1 million.

13 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors have made judgements and estimates with respect to those items that have made the most significant effect on the carrying amounts of the assets and liabilities in the financial statements. The Directors have concluded that the judgements and estimates in the Company financial statements are consistent with those applied in the audited financial statements of the Group for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document.

PART 12

CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group's capitalisation as at 31 May 2021 and indebtedness as at 31 May 2021. The capitalisation and indebtedness figures have been extracted without material adjustment from the Group's unaudited underlying accounting records.

Capitalisation

The following table sets out the Group's total capitalisation as at 31 May 2021.

	As at 31 May 2021 (unaudited) (£'000s)
Shareholder's equity	
Share capital ⁽¹⁾	1,391
Share premium account ⁽¹⁾	508,279
Other reserves ⁽²⁾	26,082
Total capitalisation	535,752

Notes:

(1) Share capital and share premium excludes the Group's placing and offer via PrimaryBid Limited which completed in June 2021. At this time, the Company issued 13,902,778 Ordinary Shares and raised gross proceeds of £111.2 million.

(2) Other reserves include "merger relief reserve", "share-based payments reserve – resulting from company share option scheme" and "share-based payments reserve – resulting from acquisition of subsidiary" and excludes "retained earnings"

Indebtedness

The following table sets out the Group's indebtedness as at 31 May 2021.

	As at 31 May 2021 (unaudited) (£'000s)
Total current debt:	
Guaranteed	—
Secured ⁽¹⁾	339
Unguaranteed and unsecured	—
Total current debt (including current portion of non-current debt):	339
Guaranteed	—
Secured ⁽²⁾	559
Unguaranteed and unsecured	—
Total non-current debt (excluding current portion of non-current debt)	559
Total indebtedness	958

Notes:

(1) Lease liabilities for continuing operations falling due within one year of the date of Admission.

(2) Lease liabilities for continuing operations with a term in excess of one year.

The following table sets out the Group's net indebtedness as at 31 May 2021.

	As at 31 May 2021 (unaudited) (£'000s)
Total current debt	
Cash ⁽¹⁾	113,889
Cash equivalent	—
Trading securities	—
	<hr/>
Liquidity	113,889
	<hr/>
Current financial receivable	—
Current bank debt ⁽²⁾	—
Current financial liabilities (including current portion of non-current financial liabilities) ⁽³⁾	(339)
Other financial debt	—
	<hr/>
Current financial liquidity	113,490
	<hr/>
Net current financial liquidity	—
Non-current bank loans	—
Non-current financial liabilities (excluding current portion of non-current financial liabilities) ⁽⁴⁾	(559)
Non-current trade and other payables	—
	<hr/>
Non-current financial indebtedness	(559)
	<hr/>
Net financial liquidity	112,931
	<hr/> <hr/>

Notes

- (1) Excludes restricted cash. As collateral for investment payments, an amount equal to the aggregate amount of interest costs due for the coming six months, all being equal, must always be held in an Interest Reserve Account. The balance of restricted cash at 31 May 2021 was £2.3 million.
- (2) The Group has an undrawn revolving credit facility with Silicon Valley Bank and Investec Bank plc with availability of £65million.
- (3) Lease liabilities for continuing operations falling due within one year of the date of Admission.
- (4) Lease liabilities for continuing operations falling due more than one year from the date of Admission.

The Group has no indirect and contingent indebtedness.

PART 13

ADDITIONAL INFORMATION

1 RESPONSIBILITY

The Company, whose registered office appears at Part 6 (Directors and Advisers) and the Directors and Proposed Director accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import. All of the Directors and the Proposed Director accept responsibility accordingly.

2 THE COMPANY AND THE GROUP

- 2.1** The Company was incorporated with the name Ingleby (1994) plc in England and Wales on 29 September 2015 with registered number 9799594 as a public company limited by shares under the Companies Act. The Company changed its name to 'Draper Esprit plc' on 9 June 2016. The Company's LEI number is 213800IPCR3SAYJWSW10. The Company is domiciled in England and Wales.
- 2.2** The registered office and principal place of business of the Company is 20 Garrick Street, London, England, WC2E 9BT with telephone number +44 (0)20 7931 8800.
- 2.3** The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA but is an AIF under the UK AIFM Regime and the EU AIFM Directive. The Company has appointed Esprit Capital as its AIFM and details of the AIFM Agreement between the Company and Esprit Capital are set out at paragraph 14.1 of this Part 13 of this document. The Company is currently subject to the AIM Rules for Companies, the Euronext Growth Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation, the EU Prospectus Regulation and the Irish Prospectus Rules, MAR and EU MAR. From Admission, the Company and the Shareholders will be subject to the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Irish Transparency Rules, the Prospectus Regulation, the EU Prospectus Regulation, MAR, EU MAR, Irish MAR, the rules of the London Stock Exchange and the Irish Listing Rules.
- 2.4** The Company's accounting period ends on 31 March of each year. The current accounting period will end on 31 March 2022. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under UK IFRS.
- 2.5** On 20 November 2015, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 2.6** The Company is the holding company of the Group and has the following subsidiaries and subsidiary undertakings:

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Esprit Capital Partners LLP	AIFM to the Company and the Esprit Funds	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Encore Ventures LLP	AIFM to the Encore Funds	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Elderstreet Investments Limited	AIFM to Draper Esprit VCT	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Draper Esprit (Ireland) Limited	Intermediate holding company	Republic of Ireland	32 Molesworth Street, Dublin, Ireland, D02Y512	100%
Esprit Capital Holdings Limited	Intermediate holding company	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Elderstreet Holdings Limited	Intermediate holding company	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Draper Esprit (Nominee) Limited	Nominee company	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Nominees Limited	Nominee company	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital III MLP LLP	Intermediate holding company	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital III GP Limited	Dormant	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Seedcamp Holdings LLP	Intermediate holding vehicle	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Encore I GP Limited	Intermediate holding company	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands	100%
Grow Trustees Limited	Trustee of the Group's employment benefit trust	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (1) LP	Limited partnership pursuant to which the Group holds certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (1) (B) LP	Limited partnership pursuant to which the Group holds certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (2) LP	Limited partnership pursuant to which the Group makes certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Investments (2) (B) LP	Limited partnership pursuant to which the Group makes certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital III, L.P.	Limited partnership pursuant to which the Group holds certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Esprit Capital III B, L.P.	Limited partnership pursuant to which the Group holds certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital IV LP	Limited partnership pursuant to which the Group holds certain investments	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Seedcamp Investments LLP	Limited liability partnership pursuant to which the Group holds certain investments	England and Wales	16 Great Queen Street, London, England, WC2B 5AH	100%
Seedcamp Investments II LLP	Limited liability partnership pursuant to which the Group holds certain investments	England and Wales	16 Great Queen Street, London, England, WC2B 5AH	100%
DFJ Europe X, L.P.	Limited liability partnership pursuant to which the Group holds certain investments	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	100%
Earlybird GmbH & Co. Beteiligungs-KG IV	Limited partnership pursuant to which the Group holds certain investments	Germany	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München, Germany	27%
Earlybird DWES Fund VI GmbH & Co. KG	Limited partnership pursuant to which the Group holds certain investments	Germany	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München, Germany	57%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Earlybird Special Opportunities LP	Limited partnership pursuant to which the Group holds certain investments	Germany	c/o Earlybird Venture Capital, Maximilianstr. 14, 80539, München, Germany	35%
SC_4_OF1 LP	Limited partnership pursuant to which the Group holds certain investments	England and Wales	35 New Bridge Street, London, England, EC4V 6BW	100%
Esprit Investments (1) (Carried Interest) LP*	Carried interest vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	—
Esprit Investments (2) (Carried Interest) LP*	Carried interest vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	—
Esprit Capital III (Carried Interest) LP*	Carried interest vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	—
Esprit Capital III Founder LP*	Co-investment vehicle	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	—
Esprit Capital I (CIP) Limited	Carried interest vehicle	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital II Founder L.P. *	Co-investment vehicle	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands	—

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Esprit Capital II Founder 2 L.P. *	Co-investment vehicle	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	—
Encore I Founder LP*	Co-investment vehicle	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	—
Encore I Founder 2014 LP*	Co-investment vehicle	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	—
Encore I Founder 2014-A LP*	Co-investment vehicle	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	—
Esprit Capital I (GP) Limited	General partner and co-invest vehicle	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%
Esprit Capital III GP LP	General partner	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	100%

Subsidiary/subsidiary undertaking	Principal activity	Country of incorporation	Registered office	Ownership percentage
Esprit Capital III Founder GP Limited	General partner	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	100%
Esprit Capital II GP Limited	General partner	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	100%
Encore I GP LP*	General partner	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	—
Encore I Founder GP Limited	General partner	Cayman Islands	c/o Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	100%
Esprit Capital I General Partner	General partner	England and Wales	20 Garrick Street, London, England, WC2E 9BT	100%

Notes:

* The Group's general partners are members of these limited partnerships but they are not considered to be controlled by the Group.

See notes 3b and 18 of the audited financial statements of the Group for the financial year ended 31 March 2021 and notes 6, 7 and 17 of the audited financial statements of the Company for the financial year ended 31 March 2021 which have been incorporated into this document by reference as set out in Part 15 (Documents Incorporated by Reference) of this document which sets out further details of the Company's subsidiaries and subsidiary undertakings and related undertakings.

- 2.7 Esprit Capital is an FCA authorised and regulated fund manager under FSMA with reference number 451191. Esprit Capital has been entered onto the UK register of UK AIFMs as a 'full-scope UK AIFM'.
- 2.8 Encore Ventures is an FCA authorised and regulated fund manager under FSMA with reference number 510101. Encore Ventures has been entered onto the UK register of UK AIFMs as a 'small authorised UK AIFM'.
- 2.9 Elderstreet Investments is an FCA authorised and regulated fund manager under FSMA with reference number 148527. Elderstreet Investments has been entered onto the UK register of UK AIFMs as a 'small authorised UK AIFM'.

3 SHARE CAPITAL

- 3.1 The principal legislation under which the Company operates, and under which the Ordinary Shares were created, is the Companies Act. The Ordinary Shares are denominated in Sterling.
- 3.2 The issued share capital of the Company as at 31 March 2018 was 71,611,773 Ordinary Shares.
- 3.3 The following changes in the share capital of the Company have taken place between 1 April 2018 and the date of this document:
 - 3.3.1 27,380,952 new Ordinary Shares were allotted and issued at £4.20 per share on 14 June 2018 pursuant to a placing and subscription;
 - 3.3.2 64,820 new Ordinary Shares were allotted and issued at £4.77 per share on 10 July 2018 as consideration for the acquisition of a minority stake in the management company of Earlybird Fund VI;
 - 3.3.3 18,867,925 new Ordinary Shares were allotted and issued at £5.30 per share on 8 February 2019 pursuant to a placing;
 - 3.3.4 159,293 new Ordinary Shares were allotted and issued at £3.55 per share on 13 December 2019 pursuant to the exercise of certain options under the Draper Esprit CSOP;
 - 3.3.5 36,549 new Ordinary Shares were allotted and issued at £3.55 per share on 7 February 2020 pursuant to the exercise of certain options under the Draper Esprit CSOP;
 - 3.3.6 796,812 new Ordinary Shares were allotted and issued at £5.02 per share on 11 March 2020 as consideration for the acquisition of a 28% interest in Encore Ventures that was not already held by the Group;
 - 3.3.7 30,000 new Ordinary Shares were allotted and issued at £3.55 per share on 17 August 2020 pursuant to the exercise of certain options under the Draper Esprit CSOP;
 - 3.3.8 234,835 new Ordinary Shares were allotted and issued at £3.55 per share on 1 September 2020 pursuant to the exercise of certain options under the Draper Esprit CSOP;
 - 3.3.9 25,000 new Ordinary Shares were allotted and issued at £3.55 per share on 18 September 2020 pursuant to the exercise of certain options under the Draper Esprit CSOP;
 - 3.3.10 19,819,820 new Ordinary Shares were allotted and issued at £5.55 per share on 21 October 2020 pursuant to a placing;
 - 3.3.11 69,296 new Ordinary Shares were allotted and issued at £3.55 per share on 26 March 2021 pursuant to the exercise of certain options under the Draper Esprit CSOP; and
 - 3.3.12 13,902,778 new Ordinary Shares were allotted and issued at £8.00 per share on 16 June 2021 pursuant to a placing and an offer via the PrimaryBid Limited platform.

3.4 Set out below is the issued share capital of the Company as at the date of this document:

	Number	Aggregate nominal value
Ordinary Share	152,999,853	£1,529,998.53

3.5 By ordinary resolution passed at the annual general meeting of the Company held on 14 July 2021 the Directors were generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate maximum nominal amount of £509,999.51, and this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2022 save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

3.6 By special resolutions also passed at the annual general meeting of the Company held on 14 July 2021 the Directors were also empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash either pursuant to the authority set out at paragraph 3.5 above or by way of sale of treasury shares as if section 561(1) of the Companies Act did not apply to such allotment, and this power was limited to the allotment and/or sale of equity securities up to an aggregate nominal amount of £152,999.84 and this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2022 save that the Company is entitled to make, prior to the expiry of such authority, offers or arrangements which would or might require equity securities to be allotted and/or sold after such expiry, and the Directors may allot and/or sell equity securities in pursuance of any such offer or agreement as if the power conferred by the special resolutions had not expired.

3.7 By special resolution passed at the annual general meeting of the Company held on 14 July 2021 the Company was authorised generally and unconditionally, in accordance with section 701 of the Companies Act, to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares provided that: (a) the maximum number of Ordinary Shares that may be purchased is 15,299,985; (b) the minimum price which may be paid for an Ordinary Share is one penny; and (c) the maximum price which may be paid for an Ordinary Share is the higher of: (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made; and (ii) the higher of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the trading venue where the purchase is carried out. The authority conferred by that resolution will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2022 save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

3.8 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraph 3.6 above.

3.9 The Ordinary Shares are in registered form and, subject to the provisions of the CREST Regulations, the Board may permit the holding of Ordinary Shares in uncertificated form and title to such Ordinary Shares may be transferred by means of a relevant system (as defined in the Regulations). Where Ordinary Shares are held in certificated form, share certificates

will be sent to the registered members by first class post. Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. Temporary documents of title will not be issued.

4 THE ARTICLES

The Articles contain provisions, *inter alia*, to the following effect:

4.1 Objects/Purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.2 Voting rights

4.2.1 Subject to the provisions of the Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member holding Ordinary Shares who is present in person (or, being a corporation, by representative) or by proxy shall, on a show of hands, have one vote and every member holding Ordinary Shares present in person (or, being a corporation, by representative) or by proxy shall, on a poll, have one vote for each Ordinary Share of which he is a holder. A member entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

4.2.2 Unless the Board otherwise determines, no member shall be entitled to be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of any share held by him:

4.2.2.1 unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company have been paid; or

4.2.2.2 if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

4.3 Dividends

4.3.1 Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

4.3.2 Subject to the provisions of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

- 4.3.3 Except as otherwise provided by the rights attached to shares and the Articles, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid up on a share in advance of the date on which a call is payable shall be treated for the purposes of the Articles as paid up on the share. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.
- 4.3.4 The Company may pay any dividend, interest or other sum payable in respect of a share by direct debit, bank transfer, cheque, dividend warrant, money order or any other method (including by electronic media) as the Board may consider appropriate. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other money by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system).
- 4.3.5 All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 4.3.6 The Board may, with the authority of an ordinary resolution of the Company, or in the case of an interim dividend may without the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 4.3.7 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- 4.3.8 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore, such a holder shall not be entitled to elect to receive shares instead of a dividend.

4.4 Winding-up

If the Company is wound up the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like authority think fit, but no member shall be compelled to accept any shares or other property upon which there is a liability.

4.5 Transfer of shares

- 4.5.1 Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be

executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the transferee's name is entered in the register of members.

4.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

4.5.2.1 it is in respect of a share which is fully paid up;

4.5.2.2 it is in respect of only one class of shares;

4.5.2.3 it is in favour of a single transferee or not more than four joint transferees;

4.5.2.4 it is duly stamped (if so required); and

4.5.2.5 it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading.

4.5.3 The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the CREST Regulation and the relevant electronic system provided that such refusal does not prevent dealings in shares from taking place on an open and proper basis.

4.5.4 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.

4.5.5 If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which appropriate instructions were received by or on behalf of the Company in accordance with the facilities and requirements of the relevant electronic system.

4.5.6 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.

- 4.5.7 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act and/or U.S. Investment Advisers Act of 1940, as amended and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956, as amended or regulations or interpretations thereunder; or (vi) would cause the Company adverse consequences under the U.S. Foreign Account Tax Compliance Act of 2010 as amended from time-to-time or any similar legislation in any territory or jurisdiction (including the International Tax Compliance Regulation 2015), including the Company becoming subject to any withholding tax or reporting obligation or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the member concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), then any shares which the Directors decide are shares which are so held or beneficially owned (“**Prohibited Shares**”) must be dealt with in accordance with paragraph 4.5.8 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 4.5.8 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the chairperson of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company’s costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- 4.5.9 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

4.6 Variation of rights

- 4.6.1 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of

the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Act.

- 4.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

4.7 Alteration of share capital

The Company may, from time to time, by ordinary resolution:

- 4.7.1 authorise the Directors to increase its share capital by allotting new shares;
- 4.7.2 consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- 4.7.3 subject to the provisions of the Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and
- 4.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

4.8 General meetings

- 4.8.1 The Board may convene a general meeting whenever and at such time and place, including partly (but not wholly) by means of electronic facility or facilities, as it thinks fit.
- 4.8.2 The Board shall determine in relation to each general meeting the means of attendance at and participation in the meeting, including whether the persons entitled to attend and participate in the meeting shall be enabled to do so:
- 4.8.2.1 by means of electronic facility or facilities; and/or
- 4.8.2.2 by simultaneous attendance and participation at a satellite meeting place or places.
- 4.8.3 Where the Board has determined that persons entitled to attend and participate in a general meeting may do so by means of electronic facility or facilities (as so determined by the Board) and/or by attending at a satellite meeting place or places, members present in person or by proxy by such means will be counted in the quorum for, and be entitled to participate in, the general meeting in question.
- 4.8.4 A general meeting shall be convened by such notice as may be required by law from time to time.
- 4.8.5 The notice of any general meeting shall include such statements as are required by the Act and shall in any event specify:
- 4.8.5.1 whether the meeting is convened as an annual general meeting or any other general meeting;
- 4.8.5.2 the place (including any satellite meeting place(s)), date and time of the meeting;
- 4.8.5.3 if the meeting shall be held partly by means of electronic facility or facilities, a statement to that effect and details of the means of attendance and participation thereat, and any associated access, identification and security arrangements;

- 4.8.5.4 the general nature of the business to be transacted at the meeting;
 - 4.8.5.5 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such;
 - 4.8.5.6 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member; and
 - 4.8.5.7 the address of the website on which the information required by the Act is published.
- 4.8.6 The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.
- 4.8.7 The right of a member to participate in the business of any general meeting (including, when so determined by the Board, by means of electronic facility or facilities) shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Act or the Articles to be made available at the meeting. Where the Board has determined that persons may attend and participate in a general meeting by means of electronic facility or facilities, the Company shall ensure that any document required to be on display or to be available for inspection at the meeting is available in electronic form to persons entitled to inspect it for at least the required period of time.
- 4.8.8 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairperson of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- 4.8.9 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum.
- 4.8.10 The Chairperson of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place (or, in the case of a meeting held at a principal meeting place and one or more satellite meeting places, such other places) and/or from such electronic facility or facilities for attendance and participation to such other electronic facility or facilities as determined by the Chairperson (or, in default, the Board).
- 4.8.11 The Chairperson may also, without the need for the consent of the meeting, interrupt or adjourn any meeting (whether or not it has commenced or a quorum is present) from time-to-time (or indefinitely) and from place to place (or, in the case of a meeting held at a principal meeting place and one or more satellite meeting places, such other places) or from electronic facility to electronic facility, if he is of the opinion that it has become necessary to do so in order to secure the proper and

orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

- 4.8.12 Any adjournment may, subject to the Act, be for such time and with such means of attendance and participation (including at such place or places and/or by means of such electronic facility or facilities) as the Chairperson (or, in default, the Board) may determine. Whenever a meeting is adjourned for 30 days or more or indefinitely, at least seven clear days' notice, specifying the place or places, the date and time of the adjourned meeting and the means of attendance and participation (including by means of electronic facility or facilities if applicable) as the Chairperson (or, in default, the Board) may in his discretion determine, and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 4.8.13 A resolution put to a vote at a general meeting held partly by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Board deems appropriate for the purposes of the meeting. Subject thereto, at any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:
- 4.8.13.1 the chairperson of the meeting;
 - 4.8.13.2 at least five members having the right to vote on the resolution;
 - 4.8.13.3 a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
 - 4.8.13.4 a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

4.9 Borrowing powers

Subject to the provisions of the Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.10 Issue of shares

- 4.10.1 Subject to the provisions of the Act, and to any relevant authority of the Company required by the Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, to such persons (including the Directors themselves) at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount to its nominal value.
- 4.10.2 Subject to the provisions of the Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

4.11 Powers of the Board

The business of the Company shall be managed by the Directors who, subject to the provisions of the Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

4.12 Directors' fees

4.12.1 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £1,000,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.

4.12.2 The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

4.13 Directors' interests

4.13.1 The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

4.13.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict of interest, is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

4.13.3 Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Act, a Director, notwithstanding his office:

4.13.3.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

4.13.3.2 may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);

- 4.13.3.3 may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
 - 4.13.3.4 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - 4.13.3.5 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty under the Act or under the law not to accept benefits from third parties.
- 4.13.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

4.14 Restrictions on Directors voting

- 4.14.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
- 4.14.1.1 any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
 - 4.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
 - 4.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - 4.14.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
 - 4.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - 4.14.1.6 any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;

- 4.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - 4.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
 - 4.14.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
 - 4.14.1.10 any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- 4.14.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

4.15 Number of Directors

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

4.16 Directors' appointment and retirement

- 4.16.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting, except as provided in paragraph 4.16.2 below.
- 4.16.2 At each annual general meeting of the Company, all of the Directors will retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held. A retiring Director may offer himself or herself for re-appointment by the members.

4.17 Notice requiring disclosure of interest in shares

- 4.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- 4.17.2 If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") the member shall not be entitled to vote

in general meetings or class meetings and, where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

4.18 Untraced shareholders

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following the Company, having first used reasonable efforts to trace the member, giving notice of its intention to sell such shares to the member at his address on the register or other last known address. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.19 Indemnity of officers

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act). In addition, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

5 UK TAKEOVER CODE

Other than as provided by the UK Takeover Code and Chapter 28 of the Act, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell out rules relating to the Company. The Irish Takeover Rules will not apply to the Company.

5.1 Mandatory bid

The UK Takeover Code applies to the Company. Under Rule 9 of the UK Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

5.2 Squeeze-out

Under the Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90 per cent. of the shares to which such offer related it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the

consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

5.3 Sell-out

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6 SHAREHOLDER NOTIFICATION AND DISCLOSURE REQUIREMENTS

6.1 Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3 per cent. of the nominal value of the Company's share capital or any 1 per cent. threshold above that.

6.2 The Company will, following Admission notify the Central Bank of Ireland that the Republic of Ireland is its home Member State for the purposes of the EU Transparency Directive and the Irish Transparency Regulations. Accordingly, the provisions of Part 5 of the Irish Transparency Regulations and the IMC Rules will apply to the Company. As such, in addition to the DTR disclosure obligations set out at paragraph 6.1 above, a person is also required to notify the Company and the Central Bank of Ireland of the percentage of voting rights it holds as a holder of Ordinary Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within the EU Transparency Directive and the Irish Transparency Regulations, or a combination of such holdings, if, as a result of an acquisition or disposal of Ordinary Shares (or financial instruments) or events changing the breakdown of voting rights on the basis of information disclosed by the Company in accordance with Regulation 20 of the Irish Transparency Regulations, the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of the Company, 5 per cent., 10 per cent., 15 per cent., 20 per cent., 30 per cent., 50 per cent. and 75 per cent.

6.3 Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

7 REMUNERATION POLICY

7.1 In accordance with the regulations set out in the Act, Shareholder approval will be sought at the first annual general meeting following Admission (to be held in 2022) for the Directors' Remuneration Policy (the "**Remuneration Policy**"). The rationale underlying the Remuneration Policy and its main features are described below (subject to amendment following Admission, for example to take account of any changes in the guidelines laid down by institutional shareholder bodies, such as the Investment Association, that may be made following Admission, and to the extent the Remuneration Committee considers appropriate and in the interests of Shareholders).

7.2 Executive Directors will each be remunerated through a combination of fixed pay and variable pay. Fixed pay will comprise: (a) basic salary; (b) benefits; and (c) pension. Variable pay will comprise (i) an annual bonus; (ii) a deferred bonus plan and (iii) the long-term incentive

program. Material terms of the Executive Directors' service agreements with the Company are described in paragraph 12 of Part 13 of this document. The Company's remuneration strategy is to provide pay packages that attract, retain and motivate high-calibre talent to help ensure its continued growth and success. It aims to encourage and support a high performance culture; reward for achievement of the Group's corporate strategy and delivery of sustainable growth; and align the interests of the Executive Directors, senior management and employees to the long-term interests of Shareholders; whilst ensuring that remuneration and incentives adhere to the principles of good corporate governance and support good risk management practice and sustainable Company performance.

7.3 Consistent with this remuneration strategy, the Remuneration Committee has agreed a structure for future remuneration arrangements for the Executive Directors and senior management taking into account evolving market and best practices. Remuneration will be set at a level that is considered by the Remuneration Committee to be appropriate for the size and nature of the business. Performance-related pay will be based on stretching targets and will form an important part of the overall remuneration package. There will be an appropriate balance between short and longer-term performance targets linked to delivery of the Group's business plan.

7.4 Basic Salary

The base salaries for Executive Directors and senior management will depend on their experience and the scope of their role as well as having regard to practices at peer companies of equivalent size and complexity. In considering the base salary (and other elements of remuneration) of Executive Directors and senior management, due regard will be taken of the pay and conditions of the workforce generally. Base salaries will typically be reviewed on an annual basis. The salary review for 2021 was deferred from April 2021 to the date of Admission. On the date of Admission and with effect from the 1 April 2021, Martin Davis will receive an annual basic salary of £483,000, Stuart Chapman will receive an annual basic salary of £332,000 and Ben Wilkinson will receive an annual basic salary of £325,000.

7.5 Pension and benefits

The Executive Directors are eligible to receive contributions to a pension plan and/or a cash supplement in lieu of pension contributions as each Executive Director may direct on the same terms as other UK employees, being an amount equal to 15% of basic salary. The Executive Directors will be able to participate in the same benefits as available to other UK employees, including but not limited to life insurance, private health insurance and income protection insurance. Each Executive Director is entitled to reimbursement of reasonable expenses incurred in the performance of such Executive Director's duties in accordance with the Company's Travel & Entertainment policy.

7.6 Annual bonus

The Executive Directors are eligible for an annual bonus which will have a threshold opportunity at 80% basic salary, target opportunity of 120% of basic salary and a maximum opportunity of 200% of basic salary.

The award of any bonus is discretionary and subject to the achievement of challenging performance conditions, which will be set by the Remuneration Committee and are expected to be linked to the Company's financial performance together with an element linked to ESG measures. Any bonus awarded to an Executive Director in excess of 100% of basic salary earned will be deferred in Ordinary Shares under the Draper Esprit Deferred Bonus Plan ("DDBP") for two years and then will vest provided that the Executive Director is then in employment with the Company. Further details of the DDBP are set out in paragraph 9.4 of this Part 13.

7.7 Long-term incentive plan

In accordance with the rules of the New Draper Esprit LTIP (details of which are set out at paragraph 9.3 below), awards of options over Ordinary Shares with a maximum value of 250% of annual basic salary may be granted under the New Draper Esprit LTIP to the Executive Directors on an annual basis. Awards will be, subject to the achievement of performance conditions over a three year performance period, which will be set by the Remuneration Committee and may be varied from year to year. For the initial awards, the

performance targets are expected to comprise two performance measures, namely TSR performance relative to the FTSE 250 and achievement of a specified level of AUM as further set out in the tables below. A two year holding period will apply at the end of each relevant performance period. Material terms of the New Draper Esprit LTIP are set out in paragraph 9.3 of this Part 13.

Measure 1 – 68% of award, TSR performance compared to the FTSE 250

Performance level	Percentage of award vesting	Comparative TSR performance
Below “threshold”	0%	Below Median
At “Target”	30%	Median
At “Stretch”	60%	Upper quartile
At “Maximum”	68%	Upper decile

Straight line vesting in between the above points

Measure 2 – 32% of award, Assets under Management

Net assets under management as at 31 March 2024

Performance level	Percentage of award vesting
Below Threshold	0%
Threshold at £1,884 million	16%
Target at £1,994 million	24%
Maximum at £2,015 million	32%

7.8 Executive Director share ownership guidelines

In order to encourage alignment with shareholders, with effect from Admission, individual shareholding guidelines are adopted for Executive Directors. Under such guidelines, Executive Directors are encouraged to build and maintain over time a shareholding in the Company. Each Executive Director is expected to achieve a shareholding with a value of equivalent to at least 250% of his annual basic salary.

The Executive Directors have each agreed to hold all of their respective existing Ordinary Shares on Admission to be held in accordance with the share ownership guidelines. To the extent the shareholding guideline has not been reached by the relevant vesting dates, the Executive Directors have each agreed to retain 50% of the Ordinary Shares that may be delivered to each of them pursuant to the New Draper Esprit LTIP and the DDBP (save to permit the sale of such number of Ordinary Shares as may be required to meet any tax liability arising on the vesting of such awards).

The share ownership requirements will remain in place until the second anniversary of termination of employment of any Executive Director and will apply to the lower of 250% of such Executive Director’s basic salary or the number of Ordinary Shares held by the Executive Director at the date of termination of employment.

7.9 Remuneration policy on recruitment

When determining a remuneration package for a new executive director, the Remuneration Committee will consider the relevant skills and experience of the individual as well as the internal and external market conditions. Incentive opportunities will be consistent with the Remuneration Policy set out above. The Remuneration Committee will have the ability to buy out any entitlements lost at their previous employer on similar terms to the entitlements foregone.

In the event of an internal hire who is promoted to the board, any existing entitlements will be honoured and paid out on their original terms for the relevant proportion of the financial year in which they are appointed save to the extent that the basic salary will be adjusted to

the appropriate level for the role being assumed from the date of appointment. If they are appointed prior to the granting of LTIP awards for that year, they will participate in the new grants with the other Executive Directors

7.10 Remuneration policy on termination

In the event of termination, any payments will be in accordance with the terms of the Executive Directors' service contracts with the Company, which are described at paragraph 12 of this Part 13 (and the rules of the new share plans, which are described at paragraphs 9.3 to 9.6 of this Part 13), having regard to all of the relevant facts and circumstances available at that time.

7.11 Malus and Clawback and Remuneration Committee Discretion

The Remuneration Committee may exercise its discretion to adjust annual bonus outcomes or levels of vesting under the Draper Esprit LTIP or the New Draper Esprit LTIP where it believes that it is appropriate, including (but not limited to) where outcomes are not reflective of the underlying performance of the business or the experience of the Company's Shareholders, employees or other stakeholders. The Remuneration Committee may also claw back bonus payments or vested share awards up to three years from the date of payment/ vesting (in part or in full) in the event of gross misconduct, material misstatement in the Company's annual financial statements, material failure of risk management, serious reputational damage to a member of the Group or relevant business unit, the insolvency of the Group and/or an error in the calculation of any performance conditions resulting in an overpayment.

7.12 Other items

The Remuneration Committee will keep the remuneration arrangements for the Executive Directors and key senior management under review taking into consideration the Company's business strategy; overall corporate performance; market conditions affecting the Company; and evolving best practice.

The Chair's and the other Non-Executive Directors' fees will be set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its committees, and to attract and retain Non-Executive Directors of a high calibre with relevant commercial and other experience. Fee levels are set by reference to non-executive director fees at companies of similar size and complexity. The fee paid to the Chair is determined by the Remuneration Committee, while the fees for other Non-Executive Directors are determined by the Board as a whole. Additional fees are payable for acting as Senior Independent Director and/or as performing the role of chair of any of the Board's Audit, Risk and Valuation Committee, Remuneration Committee and/or Nominations Committee.

In line with the Corporate Governance Code, Richard Pelly will act as the designated non-executive director to engage with the Company's employees and act as a conduit between employees and the Board.

7.13 The details of the Company's Executive Director remuneration arrangements, including the operation of the Company's incentive plans and payments made under them, will be set out each year in a remuneration report contained in the Company's annual report. The Company will be required to submit its remuneration policy (as it relates to the Directors) to a binding vote of Shareholders at the first annual general meeting of the Company following Admission. It is the current intention of the Remuneration Committee that the Remuneration policy for Directors will apply for three years from its date of approval. Accordingly, the Company will outline the detail of its future policy relating to the Directors' remuneration, including participation in the annual bonus plan and the New Draper Esprit LTIP, in its annual report and accounts for the financial year ending 31 March 2022.

8 EMPLOYEE BENEFIT TRUST

8.1 The Company has established an onshore employee benefit trust (the "EBT") which is constituted by a trust deed which was entered into on 27 November 2020 by the Company and Grow Trustees Limited.

- 8.2** The EBT can be used to benefit employees and former employees of the Group and certain of their dependants. The trustee has the power to acquire Ordinary Shares, and to use them for the purposes of equity incentive arrangements established by the Group from time to time. To date the EBT has been used to satisfy awards under equity incentive plans operated by the Company. The EBT is funded by way of loans or other contributions from the Company.
- 8.3** As at the date of this document the trustee of the EBT holds 51,288 unallocated Ordinary Shares.
- 8.4** The trustee of the EBT will not acquire Ordinary Shares which would cause its holding at any one time to exceed 5% of the Ordinary Shares in issue (other than as a nominee for a beneficiary) without prior Shareholder approval.

9 INCENTIVE SCHEMES

The objective of the Company's remuneration policy is to attract, motivate and retain high calibre, qualified executives with the necessary skills and experience in order for the Company to achieve its strategic objectives. The Directors and Proposed Director also recognise the importance of ensuring that employees are incentivised and identify closely with the success of the Company's strategy.

The Company has historically made awards under the Draper Esprit CSOP which will close and be replaced with the New Draper Esprit CSOP shortly before Admission. The Draper Esprit LTIP will also close and be replaced with the New Draper Esprit LTIP shortly before Admission. The Company will also adopt a new deferred bonus plan shortly before Admission. The Executive Directors will not participate in any new carried interest arrangements following Admission.

The existing incentive schemes are summarised below:

- 9.1** The Draper Esprit LTIP (to be terminated on Admission and replaced by the New Draper Esprit LTIP (details of which are set out at paragraph 9.3 below))

The Company adopted the Draper Esprit LTIP in June 2020 for the grant of options granted under Part 2 of the Draper Esprit CSOP and which do not benefit from favourable tax treatment.

9.1.1 Eligibility

All Executive Directors and all employees of the Group are eligible to participate in the Draper Esprit LTIP ("**eligible employees**") at the discretion of the Remuneration and Nomination Committee.

9.1.2 Grant of options

The Draper Esprit LTIP provides that options may be granted to eligible employees on the same basis as the Draper Esprit CSOP.

9.1.3 Exercise price

The price at which an option holder may acquire Ordinary Shares on the exercise of an option shall be determined by the Remuneration and Nomination Committee.

9.1.4 Vesting

The Draper Esprit LTIP provides for options to vest and become exercisable on a date determined by the Remuneration and Nomination Committee, which will not usually be earlier than the third anniversary of the date of grant.

9.1.5 Lock-up

Once exercised, the option holder shall hold, until the fourth anniversary of the date of grant of the relevant option (the one year lock-up period is the period from, and including, 1 April 2023 to, and including, 31 March 2024 following a performance period that commences on 1 April 2020 and expires on 31 March 2023), the legal and beneficial title, free from all encumbrances in not less than such number of Ordinary Shares as equals the number of Ordinary Shares issued from the exercise of the option.

- 9.1.6 Lapse
Options will normally lapse under the Draper Esprit LTIP on the same basis as the Draper Esprit CSOP.
- 9.1.7 Adjustments
The number of Ordinary Shares comprised in an option and/or the exercise price may be adjusted under the Draper Esprit LTIP on the same basis as the Draper Esprit CSOP.
- 9.1.8 Amendments
The remuneration and nomination committee may, at any time, amend the Draper Esprit LTIP under the Draper Esprit LTIP on the same basis as the Draper Esprit CSOP.
- 9.1.9 Scheme limit
The number of Ordinary Shares over which options may be granted under the Draper Esprit LTIP on any date shall be limited so that the total number of Ordinary Shares issued and issuable pursuant to rights granted under any employee share scheme operated by the Company in any ten year period is restricted to 5% of the issued Ordinary Shares from time to time.

9.2 The Draper Esprit CSOP (to be terminated on Admission and replaced by the New Draper Esprit CSOP (details of which are set out at paragraph 9.6 below))

The Company adopted the Draper Esprit CSOP on 1 August 2016 (as subsequently amended in June 2020). Part 1 of the Draper Esprit CSOP satisfies the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 so that options granted under it are subject to favourable tax treatment. Part 2 of the Draper Esprit CSOP is used to grant options which cannot be granted within the limit prescribed by the applicable tax legislation and which does not, therefore, benefit from favourable tax treatment.

- 9.2.1 Eligibility
All Executive Directors and all employees of the Group are eligible to participate in the Draper Esprit CSOP (“**eligible employees**”) at the discretion of the remuneration and nomination committee.
- 9.2.2 Grant of options
The Draper Esprit CSOP provides that options may be granted to eligible employees selected by the Remuneration and Nomination Committee, during the period of 42 days following the date on which the Draper Esprit CSOP or any amendment to it takes effect, or the period of 42 days following the announcement of the Company’s final or interim results for any financial period, or within 42 days following the occurrence of an event which the Board considers to be an exceptional event or within 42 days following any changes to relevant legislation or within 42 days of an eligible employee commencing employment with the Group. If any of the above periods is a ‘close period’ or the Company’s internal share dealing code, then options may be granted within 42 days of the end of the close period.
- The Draper Esprit CSOP provides that options may be granted (at the discretion of the Remuneration and Nomination Committee) on terms that their exercise is subject to the satisfaction of performance conditions. No options may be granted more than ten years after the adoption date of the Draper Esprit CSOP.
- 9.2.3 Exercise price
The price at which an option holder may acquire Ordinary Shares on the exercise of an option shall be the market value of an Ordinary Share at the time of grant.
- 9.2.4 Vesting
The Draper Esprit CSOP provides for options to vest and become exercisable on a date determined by the Remuneration and Nomination Committee, which will not usually be earlier than the third anniversary of the date of grant.

9.2.5 Lapse

Options will normally lapse on cessation of employment. However, exercise is permitted for a limited period following cessation of employment for specified reasons such as redundancy, retirement or ill health and in other circumstances at the discretion of the Remuneration and Nomination Committee.

In the event of an amalgamation, takeover or winding up of the Company, options may be exercised within certain time limits. There are also provisions for the exchange of options in limited circumstances. Options immediately lapse on the tenth anniversary of the date of grant and in the event of the participant's bankruptcy.

9.2.6 Adjustments

The number of shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction or consolidation of the Company's share capital occurs, provided the legislative requirements are met.

9.2.7 Amendments

The Remuneration and Nomination Committee may, at any time, amend the Draper Esprit CSOP provided that the prior approval of the Shareholders in general meeting is obtained for amendments to the material advantage of participants relating to eligibility, the overall limitations on the issue of new Ordinary Shares and the variation or adjustment of options. However, such prior approval will not be required in relation to any amendment which is made to comply with the provision of any existing or proposed legislation or to obtain or maintain favourable taxation treatment of any participating company or participant.

9.2.8 Scheme limit

The number of Ordinary Shares over which options may be granted under the Draper Esprit CSOP on any date shall be limited so that the total number of Ordinary Shares issued and issuable pursuant to rights granted under any employee share scheme operated by the Company in any ten year period is restricted to 5% of the issued Ordinary Shares from time to time.

No option may be granted to an eligible employee under the Draper Esprit CSOP which would result in the aggregate exercise price of options granted to that person in respect of any calendar year exceeding 200% of his or her annual salary. The Remuneration and Nomination Committee has the discretion to waive this limit for one or more specific awards if it believes such waiver(s) is/are merited in the particular circumstances. No option may be granted to an eligible employee under Part 1 of the Draper Esprit CSOP which would result in the aggregate exercise prices of outstanding options granted to him under Part I and under any other share option scheme which satisfies the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 exceeding £30,000 (or such other limit as may be specified by the relevant tax legislation from time to time).

The new incentive schemes are summarised below:

9.3 New Draper Esprit LTIP

9.3.1 Adoption

The new Draper Esprit LTIP was adopted by the Board on 16 July 2021 (the "**New Draper Esprit LTIP**").

9.3.2 Administration

Awards may be granted and the New Draper Esprit LTIP will be administered by the Remuneration Committee.

9.3.3 Eligibility

Awards may be granted to any of the employees of the Company or any member of the Group, including the Executive Directors.

9.3.4 Form of Awards

Under the New Draper Esprit LTIP, awards will take the form of either:

- a conditional right to receive Ordinary Shares which will be automatically transferred to the participant following vesting;
- a nil or nominal-cost option, exercisable by the participant following vesting during a permitted exercise period (extending not later than the tenth anniversary of the date of award) (an “**Option**”); or
- such other form of award (including restricted shares) as the Remuneration Committee may from time to time determine.

9.3.5 Individual Limit

The maximum market value of the Ordinary Shares over which an eligible employee may be granted an award under the New Draper Esprit LTIP in any financial year shall not exceed an amount equal to 250% of that eligible employee’s gross annual basic salary as at the date of grant. The New Draper Esprit LTIP may, in addition, be used to facilitate “buy-out” awards granted on the recruitment of an eligible employee in excess of this limit.

9.3.6 Performance Conditions

The Remuneration Committee may (and in the case of Executive Directors, shall) determine the performance conditions which will apply to awards and which will be measured over a period (the “**performance period**”) of not less than three years. The Remuneration Committee may specify a shorter performance period for example where an award is granted in connection with the recruitment of an eligible employee. There will be no provision for re-testing performance targets.

The Remuneration Committee may alter the performance conditions attaching to an award if events happen after the date of grant that cause the Remuneration Committee to consider that any element of the performance conditions is no longer a fair measure of the Company’s performance, provided that the revised target is not considered to be materially less challenging than was intended in setting the original conditions. Where an award vests prior to the normal vesting date, the Remuneration Committee will assess performance using such information as it determines to be appropriate.

Performance measures for Executive Directors will be set in line with the Remuneration Policy, and performance targets will be set out in the annual report on directors’ remuneration.

9.3.7 Vesting

Awards will normally vest on the third anniversary of the date of grant. The Remuneration Committee may specify a shorter vesting period only where an award is granted in connection with the recruitment of an eligible employee. In relation to the Executive Directors (and other participants at the discretion of the Remuneration Committee), awards will be subject to a two year holding period after the end of the performance period during which the Ordinary Shares cannot be disposed of (other than to cover tax liabilities).

Awards will vest to the extent that the relevant performance conditions have been met provided that the Remuneration Committee may adjust (negatively or positively) the vesting level where it considers it appropriate to do so to reflect the Company’s broader financial performance and such other factors as it considers to be relevant.

If the Remuneration Committee so determines, an award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of Ordinary Shares.

9.3.8 Retention Period

The Remuneration Committee may (and in the case of Executive Directors, shall) determine awards will be subject to a retention period of two years following the vesting of an award during which a participant shall not be permitted to dispose of the Ordinary Shares (other than to cover tax liabilities or in the event of a corporate action).

9.3.9 Leavers

Unexercised awards under the New Draper Esprit LTIP will lapse where the participant ceases to hold office or employment with the Group and is not determined to be a 'Good Leaver' (as defined below). If a participant ceases to hold office or employment because of: death, injury, disability, sale of their employing company or business unit, or other circumstances as determined at the discretion of the Remuneration Committee ("**Good Leaver**" reasons), their award will remain outstanding and capable of vesting on its normal vesting date or such earlier date to the extent that the Remuneration Committee may determine. The extent to which an award will vest in a Good Leaver situation will depend upon:

- the extent to which the performance conditions have, in the opinion of the Remuneration Committee, been satisfied over the performance period; and
- unless the Remuneration Committee decides in its absolute discretion that it is inappropriate to do so, such reduction in the size of award as the Remuneration Committee determines appropriate having regard to time served in the normal vesting period, and such other factors as it considers appropriate.

An Option will typically be exercisable during a period of six months from the date of cessation as a Good Leaver (or such longer period as the Remuneration Committee may permit) or twelve months in the case of death.

9.4 Draper Esprit Deferred Bonus Plan

The Draper Esprit Deferred Bonus Plan was adopted by the Board on 16 July 2021, subject to Admission ("**DDBP**").

9.4.1 Eligibility

Awards of bonus payments may be granted to any of the employees of the Company or any member of the Group, including the Executive Directors.

9.4.2 Bonus deferral

Before or after the amount of an eligible employee's annual bonus is determined, the Remuneration Committee may specify that a proportion of the eligible employee's annual bonus shall be deferred. To the extent that a bonus awarded to an Executive Director's bonus exceeds 100% of salary, the balance shall be deferred under the DDBP. An eligible employee has no entitlement to receive the proportion of the annual bonus that is deferred until the end of the deferral period.

The Remuneration Committee will grant a DDBP award to an eligible employee whose bonus is subject to deferral over the number of Ordinary Shares which have a value (taken at the time the bonus is determined) equivalent to the proportion of the eligible employee's bonus which is deferred.

9.4.3 Form of awards

Under the DDBP, where the Remuneration Committee has specified that a proportion of annual bonus shall be deferred, awards will take the form of either:

- a conditional right to receive Ordinary Shares which will be automatically transferred to the participant following vesting; or
- a nil or nominal-cost option, exercisable by the participant following vesting during a permitted exercise period (extending not later than the tenth anniversary of the date of award) (an "**Option**").

9.4.4 Vesting

Except as otherwise provided for in the rules of the DDBP, an award will vest on its normal vesting date provided that the participant is then employed, or holds office in the Company or the Group. For these purposes, the “normal vesting date” will be specified at the time an award is granted and will not normally be before the first anniversary of the date of grant.

9.4.5 Leavers/disciplinary

An award holder may not exercise/vest a DDBP award at any time: while subject to ongoing disciplinary proceedings; while any Group Company is investigating the award holder’s conduct and may as a result begin disciplinary proceedings; while there is a breach of the award holder’s employment contract that is a potentially fair reason for dismissal; after the award holder giving notice of termination of their employment unless or until the Committee determines that a DDBP award can be exercised/vest; while in breach of a fiduciary duty; after ceasing to be an employee, if there was a breach of the employment contract or fiduciary duties that (in the reasonable opinion of the Committee) would have prevented exercise/vesting of the DDBP award had the Company been aware (or fully aware) of that breach. Following the conclusion of any disciplinary proceedings or investigation, the Committee shall determine whether the DDBP award is exercisable/vests and the time period for doing so, if any and the date that the DDBP award lapses.

9.5 Terms common to the New Draper Esprit LTIP and the DDBP

Executive Directors

Participation by the Executive Directors shall, unless and until approved otherwise by shareholders, be in accordance with the terms of the Remuneration Policy.

Timing of awards

Awards may be granted during the period of 42 days following:

- Adoption of the plan rules or the date on which any amendment takes effect or following any changes to relevant legislation;
- the announcement of the Company’s final or interim results for any financial period; or
- the occurrence of an event which the Board considers to be an exceptional event including but not limited to an eligible employee commencing employment with the Group.

If any of the above periods is a ‘close period’ or restricted under the Company’s internal share dealing code, then awards may be granted within 42 days of the end of such period.

Dividend equivalents

Participants may receive an additional payment (or Ordinary Shares of equivalent value) equal to the dividends which would have been paid during the vesting period on the number of Ordinary Shares that vest. Any dividend equivalent payable to Executive Directors will be made in the same form as applicable for other participants.

Dilution limits

Options or awards may not be granted under the New Draper Esprit LTIP and DDBP on terms capable of being satisfied by newly issued shares where to do so would cause the number of Ordinary Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the New Draper Esprit LTIP and DDBP and any other discretionary employees’ share scheme adopted by the Company, when added to the number of Ordinary Shares issued for the purpose of any such awards and options, to exceed 5% of the Company’s ordinary share capital in issue immediately prior to the proposed date of grant.

Corporate actions

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to the Committee's discretion to determine:

- the extent that the performance conditions have been satisfied at that time; and
- such reduction in the size of award, if any, as the Committee determines appropriate to have regard to time elapsed into the normal vesting period, and
- such other factors as it considers appropriate.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover.

Transfer Overseas

If a participant transfers from one tax jurisdiction to another and continues, or will continue to hold an office or employment with a Group Company as a result of that transfer, there will ordinarily be no change to the awards. The Remuneration Committee may exercise discretion to vest or replace on its original terms all or a portion of the awards in the event that the Remuneration Committee considers it is appropriate to do so.

Malus and Claw-back

The Remuneration Committee may apply malus or claw-back where at any time before or within up to three years of vesting it determines that the financial results of the Company were misstated, an error was made in any calculation or in assessing performance, which resulted in the number of Ordinary Shares in respect of which the option or award was granted or vested being more than it should have been. The Remuneration Committee may also apply claw-back where it determines that, at any time prior to the later of the vesting of an award (or exercise of an option) or the expiry of any retention period:

- the participant committed misconduct that justified, or could have justified, dismissal;
- the participant's action or omission has contributed to reputational damage to any member of the Group;
- the participant's activity or conduct was contrary to the requirements of the Financial Services regulators
- corporate failure of any member of the Group; or
- failures of risk management.

A claw-back may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future options or awards (other than Tax-Advantaged Options or awards), by reducing the number of Ordinary Shares under any vested but unexercised option and/or by either one or both of a requirement to make a cash payment or transfer of Ordinary Shares to the Company.

The claw-back provisions will not apply following the occurrence of a takeover or similar corporate event.

Non-Transferable and Non-Pensionable

Options and awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

9.6 New Draper Esprit CSOP

The new Draper Esprit CSOP was adopted by the Board on 16 July 2021, subject to Admission (the "**New Draper Esprit CSOP**") and satisfies the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 so that options granted under it are subject to favourable tax treatment ("**Tax Advantaged Options**").

A stand-alone schedule to the New Draper Esprit CSOP will provide for the one off-grant of nil cost unapproved options to all employees (other than the Chief Executive Officer) on Admission. The value of the award will be £15,000 per employee and will vest on the first anniversary of award. No further awards will be made under the terms of the schedule.

9.6.1 Eligibility

All employees of the Group are eligible to participate in the New Draper Esprit CSOP at the discretion of the Remuneration Committee. It is not currently intended that Executive Directors will participate in the New Draper Esprit CSOP.

9.6.2 Grant of Options

Options may be granted during the period of 42 days following

- adoption of the plan rules or the date on which any amendment takes effect or following any changes to relevant legislation;
- the announcement of the Company's final or interim results for any financial period; or
- the occurrence of an event which the Board considers to be an exceptional event including but not limited to an eligible employee commencing employment with the Group.

If any of the above periods is a 'close period' or restricted under the Company's internal share dealing code, then options may be granted within 42 days of the end of such period.

The New Draper Esprit CSOP provides that options may be granted (at the discretion of the Remuneration Committee) on terms that their exercise is subject to the satisfaction of performance conditions. No options may be granted more than ten years after the adoption date of the New Draper Esprit CSOP.

9.6.3 Exercise Price

The price at which an option holder may acquire Ordinary Shares on the exercise of an option shall be the market value of an Ordinary Share at the time of grant.

9.6.4 Vesting

The New Draper Esprit CSOP provides for options to vest and become exercisable on a date determined by the Remuneration Committee, which will not usually be earlier than the third anniversary of the date of grant.

9.6.5 Lapse

Options will normally lapse on cessation of employment. However, exercise is permitted for a limited period following cessation of employment for specified reasons such as redundancy, retirement or ill health and in other circumstances at the discretion of the Remuneration Committee.

In the event of an amalgamation, takeover or winding up of the Company, options may be exercised within certain time limits. There are also provisions for the exchange of options in limited circumstances. Options immediately lapse on the tenth anniversary of the date of grant and in the event of the participant's bankruptcy.

9.6.6 Non-Transferable and Non-Pensionable

Options and awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

9.6.7 Individual Limits

No Tax Advantaged option may be granted to an eligible employee under the main terms of the New Draper Esprit CSOP which would result in the aggregate exercise prices of outstanding options granted to that employee under Part I of the New Draper Esprit CSOP and/or under any other share option scheme which satisfies the

requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 exceeding £30,000 (or such other limit as may be specified by the relevant tax legislation from time to time).

A nil-cost option granted under the schedule to the New Draper Esprit CSOP shall be limited to Ordinary Shares with an aggregate value of £15,000 per employee, measured at the date of grant. Such option shall be unapproved under Part 2 of the New Draper Esprit CSOP.

9.6.8 Plan Limits

Ordinary Shares may be newly issued, transferred from treasury or market purchased for the purposes of the New Draper Esprit CSOP.

Options or awards may not be granted under the New Draper Esprit CSOP on terms capable of being satisfied by newly issued Ordinary Shares where to do so would cause the number of Ordinary Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the New Draper Esprit CSOP and any other employees' share scheme adopted by the Company, when added to the number of Ordinary Shares issued for the purpose of any such awards and options, to exceed 10% of the Company's ordinary share capital in issue immediately prior to the proposed date of grant.

These limits do not include rights to Ordinary Shares which have been released, lapsed or otherwise become incapable of exercise or vesting.

Treasury shares will count as new issue Ordinary Shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.

9.6.9 Variation of Capital

The number of Ordinary Shares subject to options and awards and, where applicable, any option exercise price may be adjusted, in such manner as the Board or the Remuneration Committee, as applicable, may determine, following any variation of share capital of the Company or, except for Tax Advantaged Options, a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of Ordinary Shares to a material extent.

9.6.10 Alterations

The Board may amend the rules of the New Draper Esprit CSOP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on participants relating to eligibility, plan limits, the basis of individual entitlement, the price payable for the acquisition of Ordinary Shares and the provisions for the adjustment of options and awards without prior Shareholder approval, except in relation to performance conditions or for amendments which are minor amendments to benefit the administration of the New Draper Esprit CSOP to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company (or other members of the Group).

9.7 The Carried Interest Plans

Initial portfolio at AIM Admission

In respect of Esprit Fund 3, which held the Company's interests in its initial portfolio when the Ordinary Shares were admitted to trading on AIM (the "**Initial AIM Portfolio**"), £3.3 million of future carried interest entitlements (representing 56.5% of the carried interest entitlements in Esprit Fund 3) is held by the Group.

Certain ex-employees of the Group and DFJ Network Affiliate IX, LLC are entitled to receive carried interest arising from future realisations from the Initial AIM Portfolio. In accordance with their existing entitlements, they will receive, in aggregate, 8.7% of the net realised cash profits from the Initial AIM Portfolio once the Group has received an aggregate annualised 6% realised return from the Initial AIM Portfolio (by reference to the date such investments were made rather than acquired by the Group at the time of the AIM Admission).

There is also a co-investment plan for the initial portfolio for the benefit of the Group and certain ex-employees. The entitlements to such co-investment plan as at the date of this document are as follows:

	% co-investment
The Group	71.1
Ex-employees	28.9
Total	100.0

Carried interest plans since AIM Admission

The Company has established carried interest plans for the Executive Directors, other members of the investment team and certain other employees (the “**Plan Participants**”) in respect of any investments and follow-on investments made since the Ordinary Shares were admitted to trading on AIM. Each carried interest plan operates in respect of investments made during a 24 month period and related follow-on investments made for a further 36 month period save that: (i) there are separate carried interest plans for the Initial AIM Portfolio and related follow-on investments; and (ii) the first such carried interest plan after AIM Admission was for the period from AIM Admission to 31 March 2018.

Subject to certain exceptions, Plan Participants will receive, in aggregate, 15 per cent of the net realised cash profits from the investments and follow-on investments made over the relevant period once the Company has received an aggregate annualised 10% realised return on investments and follow-on investments made during the relevant period save that the hurdle for the carried interest plan established on 1 April 2020 and subsequent carried interest plans has an aggregate annualised 8% realised return on investments and follow-on investments made during the relevant period. The Plan Participants’ return is subject to a “catch-up” in their favour. Plan Participants’ carried interests vest over five years for each carried interest plan and are subject to good and bad leaver provisions. Any unvested carried interest resulting from a Plan Participant becoming a leaver can be reallocated by an adjudication committee formed by Esprit Capital in its capacity as appointed AIFM.

The current entitlements under these carried interest plans are as follows:

	Entitlement (%)					
	Initial AIM Portfolio carried interest plan	Initial AIM Portfolio follow-on investments carried interest plan	Carried interest plan for the period from AIM Admission to 31 March 2018	Carried interest plan for the period from 1 April 2018 to 31 March 2020	Carried interest plan for the period from 1 April 2020 to 31 March 2022	Accrued value of entitlement(s) as at 31 March 2021* £'000
Martin Davis	—	—	—	16.8	4.48	3,616
Stuart Chapman	30.5	30.5	15.4	16.8	4.48	14,996
Ben Wilkinson	3.0	3.0	3.1	7.0	4.48	2,979
Other employees	4.0	4.0	29.2	23.0	38.0	12,491
Ex-employees, Draper Venture Network, unallocated	62.5	62.5	52.4	36.3	48.56	35,858
Total	100.0	100.0	100.0	100.0	100.0	69,940

*The value of any entitlements received will vary as it will be subject to realised values of the Group’s investments and the timing of such realisations.

From April 2020 onwards, the Executive Directors were not eligible to participate in new carried interest plans, and instead, from Admission, will participate in the New Draper Esprit LTIP. No carry entitlement currently awarded to any of the Executive Directors will lapse (including any entitlement that may not yet have vested).

10 DIRECTORS' AND PROPOSED DIRECTOR'S INTERESTS

10.1 The interests in the Ordinary Shares of the Directors and the Proposed Director (all of whom, unless otherwise stated, are beneficial and include interests of persons connected with a Director or Proposed Director) immediately following Admission will be:

Director/Proposed Director	No. of Ordinary Shares	Percentage of issued share capital
Karen Slatford	—	—
Martin Davis	14,632	0.010%
Stuart Chapman	1,046,306	0.684%
Ben Wilkinson	12,225	0.008%
Richard Pelly	380	0.000%
Grahame Cook	—	—
Gervaise Slowey	—	—

10.2 In addition to the interests in Ordinary Shares of the Directors and Proposed Director described above, the following Directors have the following interests in options to acquire Ordinary Shares:

Director	Incentive plan	Number of Ordinary Shares under		Exercise price	Vesting, Exercise date	Expiry date
		Vested options	Unvested options			
Martin Davis	Draper Esprit CSOP (approved)	—	6,424	£4.67	26 November 2022	26 November 2029
	Draper Esprit CSOP (unapproved)	—	193,576*	£4.67	26 November 2022	26 November 2029
	Draper Esprit CSOP (unapproved)	—	200,000*	£4.49	30 June 2023	20 June 2030
	Draper Esprit LTIP	—	93,541	£0.01	1 April 2023	31 March 2030
	New Draper Esprit LTIP	—	135,979***	£0.01	16 July 2024	15 July 2031
Stuart Chapman	Draper Esprit CSOP (approved)	8,450	—	£3.55	28 November 2019	28 November 2026
	Draper Esprit CSOP (unapproved)	226,385	—	£3.55	29 November 2019	28 November 2026
	Draper Esprit CSOP (unapproved)	234,835	—	£3.87	28 November 2020	28 November 2027
	Draper Esprit CSOP (unapproved)	—	178,100*	£4.92	30 July 2021	30 July 2028
	Draper Esprit CSOP (unapproved)	—	178,434*	£5.30	12 February 2022	12 February 2029
	Draper Esprit LTIP	—	64,365	£0.01	1 April 2023	31 March 2030
	New Draper Esprit LTIP	—	93,468***	£0.01	16 July 2024	15 July 2031
Ben Wilkinson	Draper Esprit CSOP (approved)	8,450**	—	£3.55	28 November 2019	28 November 2026
	Draper Esprit CSOP (unapproved)	166,198**	—	£3.55	28 November 2019	28 November 2026
	Draper Esprit CSOP (unapproved)	174,648**	—	£3.87	28 November 2020	28 November 2027
	Draper Esprit CSOP (unapproved)	—	178,100*	£4.92	30 July 2021	30 July 2028
	Draper Esprit CSOP (unapproved)	—	178,434*	£5.30	12 February 2022	12 February 2029
	Draper Esprit LTIP	—	61,024	£0.01	1 April 2023	31 March 2030
	New Draper Esprit LTIP	—	91,497***	£0.01	16 July 2024	15 July 2031

* options subject to a performance condition of an 8% per annum share price hurdle.

** these options were exercised by notice given dated 27 November 2020.

*** Options over 88,682 Ordinary Shares, 60,923 Ordinary Shares and 60,642 Ordinary Shares granted to Messrs Davis, Chapman and Wilkinson respectively will lapse if Admission does not take place by 16 July 2022.

11 SIGNIFICANT SHAREHOLDERS

11.1 In so far as is known to the Directors and Proposed Director, the following are the interests (within the meaning of Part 22 of the Act) which represent, or will represent, directly or indirectly, 3% or more of the issued share capital of the Company immediately prior to and immediately following Admission.

Shareholder	No. of Ordinary Shares	Percentage of issued Ordinary Shares
Baillie Gifford	14,316,088	9.4%
National Treasury Management Agency	14,004,502	9.2%
T Rowe Price Global Investments	11,034,375	7.2%
Swedbank Robur	8,328,198	5.4%
Canaccord Genuity Wealth Management (Inst)	8,097,956	5.3%
BlackRock	7,735,378	5.1%
Schroders Plc	7,453,284	4.9%
British Business Bank	7,142,857	4.7%
Liontrust Sustainable Investments	5,029,615	3.3%
Aberdeen Standard Investments	4,848,272	3.2%
Brunei Investment Agency	4,761,904	3.1%

11.2 Save as disclosed above, in so far as is known to the Directors and Proposed Director, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors and Proposed Director have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the Ordinary Shares they hold in the Company.

11.3 None of the Directors or Proposed Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiaries or subsidiary undertakings and which were effected by the Company or any of its subsidiaries or subsidiary undertakings during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors or Proposed Director.

12 DIRECTORS' AND PROPOSED DIRECTOR'S TERMS OF EMPLOYMENT AND ENGAGEMENT

12.1 Executive Directors

The following service agreements have been entered into by the Company with the Executive Directors:

Martin Davis

Under the terms of his current service agreement with the Company dated 4 November 2019, in respect of his role as Chief Executive Officer of the Company and as a Director, Martin Davis is entitled to an annual base salary of £420,000. Martin Davis may also be awarded a bonus of up to 100% of his base salary and may be granted options under the Draper Esprit LTIP of up to 100% of his base salary. In anticipation of, and conditional upon, Admission, Martin Davis has entered into an amended and restated service agreement with the Company on 19 July 2021, terminable upon six months' notice by either party. The agreement provides for an annual base salary of £483,000 (effective from 1 April 2021) and a holiday entitlement of 30 days per annum. Martin Davis is also entitled to a pension contribution into a personal pension scheme of an amount equal to 15% of his base salary per annum. Martin Davis may also be awarded a bonus of up to 200% of his base salary,

with any bonus above 100% of salary being deferred in Ordinary Shares for 2 years pursuant to the DDBP. Furthermore, Martin Davis may be granted options under the New Draper Esprit LTIP of up to 250% of his base salary.

Stuart Chapman

Under the terms of his current service agreement with the Company dated 15 June 2016, in respect of his role as Chief Portfolio Officer of the Company and as a Director, Stuart Chapman is entitled to an annual base salary of £289,000. Stuart Chapman may also be awarded a bonus of up to 100% of his base salary and may be granted options under the Draper Esprit LTIP of up to 100% of his base salary. In anticipation of, and conditional upon, Admission, Stuart Chapman has entered into an amended and restated service agreement with the Company on 19 July 2021, terminable upon six months' notice by either party. The agreement provides for an annual base salary of £332,000 (effective from 1 April 2021) and a holiday entitlement of 30 days per annum. Stuart Chapman is also entitled to a pension contribution into a personal pension scheme of an amount equal to 15% of his base salary per annum. Stuart Chapman may also be awarded a bonus of up to 200% of his base salary, with any bonus above 100% of salary being deferred in Ordinary Shares for 2 years pursuant to the DDBP. Furthermore Stuart Chapman may be granted options under the New Draper Esprit LTIP of up to 250% of his base salary.

Ben Wilkinson

Under the terms of his current service agreement with the Company dated 10 October 2016, in respect of his role as Chief Financial Officer of the Company and as a Director, Ben Wilkinson is entitled to an annual base salary of £274,000. Ben Wilkinson may also be awarded a bonus of up to 100% of his base salary and may be granted options under the Draper Esprit LTIP of up to 100% of his base salary. In anticipation of, and conditional upon, Admission, Ben Wilkinson entered into an amended and restated service agreement with the Company on 19 July 2021, terminable upon six months' notice by either party. The agreement provides for an annual base salary of £325,000 (effective from 1 April 2021) and a holiday entitlement of 30 days per annum. Ben Wilkinson is also entitled to a pension contribution into a personal pension scheme of an amount equal to 15% of his base salary per annum. Ben Wilkinson may also be awarded a bonus of up to 200% of his base salary, with any bonus above 100% of salary being deferred in Ordinary Shares for 2 years pursuant to the DDBP. Furthermore Ben Wilkinson may be granted options under the New Draper Esprit LTIP of up to 250% of his base salary.

12.2 Non-Executive Directors

The following appointment letters have been entered into by the Company with the Non-Executive Directors and the Proposed Director:

Karen Slatford

Karen Slatford was appointed as Non-Executive Chair of the Company by letter of appointment dated 15 June 2016 which was amended and restated on 19 July 2021. The appointment is subject to re-election at annual general meetings and it is terminable on three months' notice by either the Company or by Karen Slatford. From Admission the fee payable to Karen Slatford for her roles as Non-executive Chair and her role as Chair of the Nominations Committee is £120,000 per annum (effective from 1 April 2021) and is subject to annual review. The current term of Karen Slatford's appointment commenced on 15 June 2019 and expires on 14 June 2022. The Company anticipates that Karen Slatford's term will be renewed for a further three year period.

Grahame Cook

Grahame Cook was appointed as a Non-Executive Director by letter of appointment dated 15 June 2016 which was amended and restated on 19 July 2021. The appointment is subject to re-election at annual general meetings and it is terminable on three months' notice by either the Company or by Grahame Cook. From Admission the fee payable to Grahame Cook for his role as Non-Executive Director and his roles as Chairperson of the Audit, Risk and Valuations Committee and a member of the Remuneration Committee and the Nominations Committee and Senior Independent Director is £80,000 per annum (effective

from 1 April 2021) and is subject to annual review. The current term of Grahame Cook's appointment commenced on 15 June 2019 and expires on 14 June 2022. The Company anticipates that Grahame Cook's term will be renewed for a further three year period.

Richard Pelly

Richard Pelly was appointed a Non-Executive Director of the Company by letter of appointment dated 15 June 2016 which was amended and restated on 19 July 2021. The appointment is subject to re-election at annual general meetings and it is terminable on three months' notice by either the Company or by Richard Pelly. From Admission the fee payable to Richard Pelly for his role as a Non-Executive Director and his roles as Chairperson of the Remuneration Committee and a member of the Audit, Risk and Valuations Committee and the Nominations Committee is £60,000 per annum (effective from 1 April 2021) and is subject to annual review. The current term of Richard Pelly's appointment commenced on 15 June 2019 and expires on 14 June 2022. The Company anticipates that Richard Pelly's term will be renewed for a further three year period.

Gervaise Slowey

Gervaise Slowey was appointed, conditional upon Admission, to be a Non-Executive Director of the Company by letter of appointment dated 19 July 2021. The appointment is subject to re-election at the forthcoming annual general meeting and it is terminable on three months' notice by either the Company or by Gervaise Slowey. The fee payable to Gervaise Slowey for her role as a Non-Executive Director and a member of the Audit, Risk and Valuations Committee, Remuneration Committee and the Nominations Committee is £60,000 per annum and is subject to annual review. The current term of Gervaise Slowey's appointment commences on Admission and expires on 18 July 2024.

12.3 Directors' remuneration

The following table summarises the gross aggregate remuneration of the Directors who served during the year to 31 March 2021.

	Base salary/ fees £'000	Pension contributions £'000	Taxable benefits £'000	Performance related bonus £'000	Total remuneration £'000	Carried interest (legacy awards) £'000	Year ended 31 March 2021 Total £'000	Year ended 31 March 2020 Total £'000
Executive Directors								
Martin Davis	420	63	4	398	885	—	885	505
Stuart Chapman	289	43	4	274	610	150	760	444
Ben Wilkinson	274	41	3	260	578	30	608	364
Non-Executive Directors								
Karen Slatford	99	—	—	—	99	—	99	80
Grahame Cook	60	—	—	—	60	—	60	40
Richard Pelly	51	—	—	—	51	—	51	40
Total	1,193	147	11	932	2,283	180	2,463	1,473

In response to the impact of COVID-19, the Executive Directors salaries were not increased for 2020/2021. The Executive Directors further deferred 20% of their salaries for three months, and when the deferred balances were paid, these were used to purchase Ordinary Shares in the market. The Non-Executive Directors' fees were increased as they had not been reviewed since AIM Admission but 20% of the fee increase was deferred from May 2021, in line with the deferrals agreed by the Executive Directors.

Except as set out above, there is no arrangement under which any Director or Proposed Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

12.4 Directors' and Proposed Director's current and past directorships and partnerships

Set out below are the directorships and partnerships held by the Directors and the Proposed Director (other than, where applicable, directorships held in the Company and its subsidiaries and the subsidiaries of the companies listed below) in the five years prior to the date of this document:

Name	Current directorships/ partnerships	Past directorships/ partnerships
Karen Slatford	Accesso Technology Group plc Micro Focus International plc Softcat plc Programmable Infrastructure Solutions AG	Alfa Financial Software Holdings plc ECI Debitoor Limited Intelliflo Holdings 2013 Limited The Foundry Holdings Limited ⁽¹⁾ Workshare Technology Holdings Limited
Martin Davis	—	—
Stuart Chapman	Conversocial Limited Crate Technology GmbH Displaydata Limited Netronome Limited Realeyes (Holdings) Limited Riverlane Research Limited Resolver Consumer Online Limited	Kiadis Pharma Aircall.io
Ben Wilkinson	—	—
Richard Pelly	Social Investment Business Foundation The Social Investment Business Limited Strategic Banking Corporation of Ireland Nuevo Microbank, Spain	The Portuguese Institute of Development
Grahame Cook	Attraqt Group plc Pirtsemit Limited Sapience Communications Ltd Advanced Medical Solutions Group plc Minoan Group plc	EPI-V GP Investments LLP Horizon Discovery Group plc MDY Healthcare Limited KS Halkins LLP Sinclair Pharma plc
Gervaise Slowey	Wells Fargo Bank International Ulster Bank Ireland DAC Eason PLC Institute of Directors Ireland	—

⁽¹⁾ Including a number of subsidiaries.

Within the period of five years preceding the date of this document, none of the Directors or Proposed Director:

12.4.1 has had any convictions in relation to fraudulent offences;

12.4.2 has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or

12.4.3 has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company

12.5 As at the date of this document, none of the Directors or Proposed Director has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

13 PENSIONS

The Group operates a 15% employer non-contributory workplace pension scheme (the “**Scheme**”). Any employees who have opted out of the Scheme, receive contributions directly into self-invested personal pensions. The Group has no interest in the assets of these schemes and there are no liabilities arising from them beyond the agreed monthly contribution for each employee or member that is included in employment costs in the profit and loss account as appropriate.

14 MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company for the two years immediately preceding the date of this document and which the Directors and the Proposed Director consider are, or may be, material to the Group or which have been entered into by a member of the Group at any time and contain any provision under which the Company has any obligation or entitlement which the Directors and the Proposed Director consider is, or may be, material to the Group as at the date of this document:

14.1 AIFM Agreement

On 19 July 2021 the Company and Esprit Capital entered into an amended and restated AIFM agreement pursuant to which, subject to Admission and to take effect on Admission, Esprit Capital has agreed to act as the Company’s alternative investment fund manager for the purposes of the UK AIFM Regime and the EU AIFM Directive.

Under the agreement Esprit Capital shall provide all of the usual and necessary services of an alternative investment fund manager of an investment company including such management, risk management, portfolio management, accounting, administrative, consultancy, advisory, company secretarial and general management services as are necessary for this purpose and to enable the Company to comply with the requirements of the Act and any other applicable legislation and regulations (including the Listing Rules, Prospectus Rules and the Disclosure Guidance and Transparency Rules and MAR) and otherwise as may be agreed between Esprit Capital and the Company from time to time.

Under the terms of the AIFM agreement, Esprit Capital is entitled to be paid an annual management fee of such amount as to be agreed between the Company and Esprit Capital from time to time. At the date of this document the Company pays Esprit Capital a management fee based on a 2% priority profit share of the capital calls (less original cost of realisations) of the subsidiary undertakings under the management of Esprit Capital in which the Company or Draper Esprit (Ireland) Limited is the sole limited partner. Esprit Capital will also be entitled to reimbursement of all out of pocket costs and expenses reasonably and properly incurred by it in providing its services under the agreement.

The AIFM agreement is terminable by either the Company or Esprit Capital giving to the other not less than three months' written notice. The AIFM agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material breach which fails to be remedied within 30 days of receipt of notice, or if Esprit Capital is required to do so by the FCA or any other governmental or regulatory body.

The Company has agreed to indemnify Esprit Capital against all claims by third parties which may be made against Esprit Capital in connection with its services under the agreement, except to the extent that the claim is due to the negligence, wilful default or fraud of Esprit Capital or any of its employees or any such person or any person to whom Esprit Capital may have delegated any of its obligations and/or functions under the agreement, or any employee of any such person.

The AIFM agreement is governed by the laws of England and Wales.

14.2 Company Secretarial Services Agreement

On 19 July 2021 the Company and the Company Secretary entered into an amended and restated agreement pursuant to which the Company Secretary has agreed to act as secretary to the Company. Under the terms of the company secretary agreement, the Company Secretary is entitled to a fee based on an hourly rate for time spent providing its services (exclusive of VAT) with aggregate annual fees being approximately £30,000 per annum. Furthermore, the Company Secretary will also be entitled to reimbursement for all reasonable out of pocket expenses incurred by it in connection with the agreement.

The company secretary agreement contains provisions whereby the Company indemnifies and holds harmless the Company Secretary, its affiliates and their directors, officers, employees and agents from and against any and all losses incurred by such parties resulting or arising from the Company's breach of the company secretary agreement and, in addition, any third party claims relating to or arising from or in connection with the company secretary agreement or the services contemplated therein except to the extent that any such claims have resulted from the negligence, fraud, breach of the company secretary agreement or wilful default of any such person. Further, the liability of the Company Secretary to the Company under the company secretary agreement is limited (with certain exceptions) to an amount equal to the total charges paid by the Company for the services provided within a calendar year. The company secretary agreement is terminable, *inter alia*, upon one months' written notice.

The company secretary agreement is governed by the laws of England and Wales.

14.3 Depositary Agreement

On 22 January 2019 Esprit Capital and the Depositary entered into an agreement pursuant to which the Depositary is appointed as the Company's depositary.

Under the terms of the depositary agreement, the Depositary is entitled to be paid an annual depositary fee of £36,050 (plus VAT). The depositary agreement provides for the Company to indemnify and hold harmless the Depositary against any costs, losses or claims (including all reasonable costs and expenses relating to such claims) which the Depositary incurs or which may be made against the Depositary as a result of its performance or non-performance of its obligations under the depositary agreement, providing that all such losses do not arise from the Depositary's fraud, wilful misconduct or gross negligence.

In accordance with the terms of the depositary agreement, the Depositary may delegate its safe-keeping functions in relation to the financial instruments and other assets of the Company. The liability of the Depositary shall not be affected by any delegation of its custody function, except to the extent that the Depositary has discharged itself of liability for loss of financial instruments in accordance with the relevant provisions of the EU AIFM Directive. Except insofar as required by law, the total liability of the Depositary under the depositary agreement shall not exceed four times the fees paid under the depositary agreement in respect of the preceding year and the Depositary shall not be liable for loss of profits, loss of business, loss of or damage to reputation or goodwill, or any indirect or consequential losses. The Depositary is entitled to obtain, at the cost of the Company, advice from a professional

adviser on any matter relating to the services to be provided under the depositary agreement, and the Depositary may refuse to perform any such services if reasonably considered prejudicial to do so prior to the receipt of such advice.

The depositary agreement is terminable by the Company or the Depositary giving to the other party not less than three months' written notice. The depositary agreement will terminate immediately on the dissolution of either party, or if the engagement under the depositary agreement ceases to be lawful. In addition, the Company or the Depositary may immediately terminate the agreement on written notice in the event that (i) the Company or (as the case may be) the Depositary has become insolvent or is going into liquidation (other than a voluntary liquidation) or has a receiver appointed or an equivalent event occurs, (ii) the Company or (as the case may be) the Depositary has committed a material breach of the depositary agreement and, if such breach is capable of remedy, the defaulting party has not made good such breach within 30 days' of service of a notice to remedy such breach, (iii) the Depositary ceases to be permitted or qualified under applicable laws (or its internal risk management policies) to provide the services under the depositary agreement, or a condition is attached to any regulatory licence or permission held by the Depositary or the Company which would have a material adverse effect on the Depositary's ability to provide the services, or (iv) a force majeure event has occurred which has resulted in the suspension or disruption of all or a material part of the services to be provided under the depositary agreement for a period exceeding 30 days.

The depositary agreement is governed by the laws of England and Wales.

14.4 Elderstreet Investment Management Agreement

On 9 February 2021, Elderstreet Investments and Draper Esprit VCT entered into an investment management agreement pursuant to which Elderstreet Investments is appointed to act as Draper Esprit VCT's alternative investment fund manager for the purposes of the UK AIFM Regime. Accordingly, under the Draper Esprit VCT Investment Management Agreement, Elderstreet Investments is responsible for providing transaction services and portfolio management services to Draper Esprit VCT.

Pursuant to the terms of the Draper Esprit VCT Investment Management Agreement, Elderstreet Investments is entitled to receive an annual fee (the "**Annual Fee**") of 2.0% of the net assets of Draper Esprit VCT, provided that should Draper Esprit VCT's annual expenses (with certain exclusions) exceed 3.5% of its net asset value, any excess shall be refunded by Elderstreet Investments by way of a reduction in Annual Fee for the relevant period. The Annual Fee is calculated twice a year on 31 March and 30 September and payable quarterly in advance.

Elderstreet Investments is also entitled to charge transaction and monitoring fees in connection with the management of Draper Esprit VCT's investment portfolio provided that, unless otherwise agreed with Draper Esprit VCT:

- aggregate transaction fees relating to any investee company are capped at 3.0% of the amount invested by Draper Esprit VCT in such company; and
- aggregate annual monitoring and non-executive directors' fees in respect of any investee company are capped at 1.0% of the amount invested by Draper Esprit VCT in such company.

Elderstreet Investments is also entitled to reimbursement for all costs and expenses properly incurred by Elderstreet Investments in the performance of its duties under the Draper Esprit VCT Investment Management Agreement, save in respect of costs incurred on abortive investment proposals.

A performance fee ("**Performance Fee**") equal to 20% of the realised gain shall be payable to Elderstreet Investments where a realised gain is made on the disposal of an investment subject to:

- an IRR hurdle requiring the achievement of at least 7% per annum in respect of investments made within a five-year investment pool period, the first such period starting on 1 April 2021; and

- a net asset value share hurdle requiring the net asset value per share at the end of the year in which the gain is made (adjusted for dividends paid) to be higher than the net asset value per share at the commencement of the five-year investment pool period in which the investment was made.

To the extent a Performance Fee is not paid on a realised gain due to failure to meet either hurdle, Elderstreet Investments shall be entitled to receive a Performance Fee in respect of such realised gain at a later date if the hurdles are subsequently achieved, provided that no further Performance Fees will be paid in respect of an investment pool after the expiry of 15 years from the day which is one day before the relevant investment pool commencement date.

The Draper Esprit VCT Investment Management Agreement may be terminated by either party on not less than 12 months' notice to the other party, such notice not to expire prior to the third anniversary of the date of the Draper Esprit VCT Investment Management Agreement. It may also be terminated at any time by notice with immediate effect on the occurrence of certain events, including insolvency, material breach not remedied within 30 days of receipt of notice, Draper Esprit VCT ceasing to be a venture capital trust and Elderstreet Investments ceasing to be authorised by the FCA.

Elderstreet Investments has given an indemnity in favour of Draper Esprit VCT in respect of all costs incurred on abortive investment proposals and Draper Esprit VCT has given an indemnity in favour of Elderstreet Investments (subject to customary exceptions) in respect of Elderstreet Investments' potential losses in carrying on its responsibilities under the Draper Esprit VCT Investment Management Agreement.

The Draper Esprit VCT Investment Management Agreement is governed by the laws of England.

14.5 Facility Agreement

On 3 June 2019 the Company entered into a facility agreement with Silicon Valley Bank and Investec Bank plc (together, the "**Financiers**") for a £50.0 million revolving credit facility (the "**Facility**") over a three year term for the purpose of funding of investments in investee companies and associated costs. On 15 June 2020, the Facility was extended by £10.0 million to £60.0 million and the term extended by one year, with a maturity of 2 June 2023. On 2 June 2021 the Facility was extended by £5.0 million to £65.0 million and the term extended by a further year, with a maturity of 2 June 2024.

Loans advanced pursuant to the Facility Agreement have an interest rate calculated with reference to the Bank of England base rate with a margin of 6.25%. The Facility Agreement provides for the Financiers to receive a commitment fee at a rate of 0.50% per annum on their respective available commitment and a commitment make-up fee where utilisation is below a certain threshold during the relevant period, as well as for the Financiers to receive an arrangement fee and for Silicon Valley Bank to receive an agency fee.

As collateral for interest payments, an amount equal to the aggregate amount of interest costs due for the coming six months must be held in an interest reserve account at all times. The Financiers have a charge over the interest reserve account, the Company's bank accounts with Silicon Valley Bank and the Company's operating accounts with Barclays Bank plc.

The Facility Agreement contains customary financial and non-financial covenants with which the Group must comply, including that:

- there must be a minimum of ten core investments at all times;
- the ratio of the net asset value of all investments to original investment cost must not be less than 1.1:1.0 at any time; and
- the ratio of the net asset value of all investments plus amounts in the collateral account to financial indebtedness must not be less than 10:1 at any time.

In addition, the aggregate amount of utilisations outstanding at any time cannot exceed the facility limit, being the lower of £65.0 million and the 'borrowing base' calculated on the basis set out in the Facility Agreement.

Each loan advanced under the Facility is repayable on its maturity date and all amounts outstanding under the Facility Agreement on 2 June 2024 shall be repayable on that date. In certain circumstances, mandatory prepayment, in full or in part, may be required, including on the occurrence of certain customary events of default, which will give the Financiers the right to cancel their total commitments, declare all or part of the loans immediately due and payable or repayable on demand and/or to enforce their security. The Company may make voluntary prepayments of loans advanced under the Facility Agreement which may be subject to break costs. Any part of the Facility which is prepaid or repaid before maturity of the Facility may be re-borrowed in accordance with the terms of the Facility Agreement.

The Company has given certain customary representations, warranties and undertakings to the Financiers under the Facility Agreement, including negative pledges in regards to the creation of security over any of the Company's assets (with limited exceptions), the entry into certain debt financing arrangements, and the disposal of any assets over which the Financiers have security. The Company has also given certain customary indemnities in favour of the Financiers in connection with the Facility Agreement.

The Facility Agreement is governed by the laws of England.

14.6 Licence Agreement

On 28 May 2016 the Company and the Timothy Draper Living Trust ("TDLT") entered into a licence agreement pursuant to which the TDLT has granted a non-exclusive, non-transferable, non-sub-licensable licence (the "Licence") to the Company (and its related entities) to use the Draper mark in Europe (the "Territory") in accordance with its terms. Each of the funds into which the Company and Esprit Capital invests may be subject to future option schemes or carried interest schemes or performance based schemes, in which the Company and members the Group are entitled to participate (the "Carried Interest Proceeds"). In consideration for granting the Licence to the Company and each member of the Group, the TDLT is entitled to the future issue by the relevant Group entity (i.e. the entity entitled to the Carried Interest Proceeds) of a percentage of the aggregate Carried Interest Proceeds to which the relevant Group entity becomes entitled. The TDLT agrees not to grant to any third party any licence of the Draper mark in any part of the Territory on terms which are materially more favourable to such third party unless it has first given written notice to the Company of such proposed licence and the option, exercisable within 14 days of such notice, to vary the terms of the agreement from the date of the grant of such third party licence insofar as, and to the extent only that, such terms are inconsistent with the terms of such third party licence. The TDLT gives certain representations, warranties, covenants, declarations and acknowledgements pursuant to the terms of the licence agreement. The licence agreement may be terminated by either party with immediate effect on the occurrence of a material breach of the agreement which fails to be remedied within 30 days of being notified to do so or if the other party repeatedly breaches the terms of the agreement in such way as to reasonably justify the opinion that the conduct of such other party is inconsistent with it having the intention or ability to give effect to the terms of the agreement. If the agreement is terminated by the Company for cause, the TDLT shall have no right whatsoever (including, without limitation, no right to allocations and distributions) in relation to any Carried Interest percentage (including, without limitation, any right to receive allocations or distributions with respect to the forfeited interest). The agreement may also be terminated by either party on 190 days' written notice to the other party and, in accordance with this provision, on 7 July 2021 the Company served notice in the ordinary course on TDLT to terminate the licence agreement. Termination will take place on 20 January 2022. The licence agreement is governed by the laws of England and Wales.

14.7 Services Agreement and Trademark Licence and Use Agreement

On 9 December 2015 Draper Network Hub, Inc. (the "Service Provider") and the Company entered into a services agreement pursuant to which the Company became a member of the Draper Venture Network and agreed to pay certain annual fees to the Service Provider. The Service Provider provides support services to the Company on the terms of the services agreement. The services agreement terminates all other arrangements entered into between the parties thereto (and in relation to the Company, any entity associated with the Company) in relation to the Group's membership of the Draper Venture Network. The services

agreement is terminable on a specified date (as set out therein). The services agreement can also be terminated by the Service Provider in the event of a material breach by the Company of the services agreement and/or the trademark license and use agreement (which breach remains un-remedied for a period of 30 days). The Service Provider may terminate the services agreement at any time on 90 days' prior written notice. In connection with the services agreement, the Company also entered into a trademark licence and use agreement with the Draper Venture Network, pursuant to which the Draper Venture Network has granted to the Company (and its related entities) a non-exclusive, non-transferable, non-sub-licensable licence to use the 'member of the Draper Venture Network' trademark. Each of the funds into which the Company and Esprit Capital invests may be subject to future option schemes or carried interest schemes or performance based schemes, in which the Company and members of the Group are entitled to participate ("Carried Interest Proceeds"). In consideration for the grant of such licence, the Company will (and will procure that each Group entity will) transfer and assign to the Draper Venture Network a percentage of all Carried Interest Proceeds to which the relevant Group entity becomes entitled at any time from Admission. The trademark licence and use agreement is terminable by the Draper Venture Network in the event of a material breach by the Company of any term of the trademark licence and use agreement (which breach remains un-remedied for a period of 30 days), and otherwise upon one year's prior written notice by the Draper Venture Network or sixty days' prior written notice by the Company. On 7 July 2021 the Company served notice in the ordinary course to terminate both the services agreement and the trademark license and use agreement on 90 days' written notice on 30 November 2021. The services agreement and the trademark license and use agreement are governed by the laws of the State of California.

14.8 Sponsor Agreement

On 19 July 2021, the Company, Numis and Goodbody entered into a sponsor agreement pursuant to which each of Numis and Goodbody have agreed to act jointly with the other as the Company's sponsor for the purposes of the Listing Rules in relation to the UK Admission. The Company is providing Numis and Goodbody with: (a) certain undertakings which will require the Company to either consult with or obtain the prior consent of Numis and Goodbody before it can take a particular action; and (b) certain representations and warranties in relation to the Group which are unlimited in time and are not subject to any financial limit. In addition, pursuant to this agreement the Company is providing Numis and Goodbody with the benefit of certain indemnities standard for a document of this nature. The obligations of Numis and Goodbody under the agreement are subject to certain conditions, including but not limited to the sponsor agreement between the Company and Goodbody in respect of the Irish Admission becoming unconditional in all respects and the Irish Admission occurring by a certain time. Numis and/or Goodbody may also terminate the agreement in certain limited circumstances. The Sponsor Agreement is governed by the laws of England and Wales.

14.9 Irish Sponsor Agreement

On 19 July 2021 the Company and Goodbody entered into a sponsor agreement pursuant to which Goodbody has agreed to act as the Company's sponsor for the purposes of the Irish Listing Rules in relation to Irish Admission. The Company is providing Goodbody with: (a) certain undertakings which will require the Company to either consult with or obtain the prior consent of Goodbody before it can take a particular action; and (b) certain representations and warranties in relation to the Group which are unlimited in time and are not subject to any financial limit. In addition, pursuant to this agreement the Company is providing Goodbody with the benefit of certain indemnities standard for a document of this nature. The obligations of Goodbody under the agreement are subject to certain conditions, including but not limited to the sponsor agreement between the Company, Numis and Goodbody in respect of UK Admission becoming unconditional in all respects and UK Admission occurring by a certain time. Goodbody may also terminate the agreement in certain limited circumstances. The Irish Sponsor Agreement is governed by the laws of Ireland.

14.10 Broker Agreements

On 19 July 2021 the Company entered into agreements with each of Numis and Goodbody pursuant to which each of Numis and Goodbody has agreed to provide corporate broking services to the Company. The Company has given certain market standard indemnities to each of Numis and Goodbody in the provision of its services. Either the Company or Numis may terminate its agreement with immediate effect at any time without liability. Either the Company or Goodbody may terminate its agreement with immediate effect at any time without liability. The broker agreement with Numis is governed by the laws of England and Wales. The broker agreement with Goodbody is governed by the laws of Ireland.

14.11 Elderstreet Acquisition Agreement

On 9 February 2021, the Company, Michael Jackson, Vinodka Murria and William Horlick entered into an acquisition agreement pursuant to which the Company acquired the shares not already owned by the Company in Elderstreet Holdings Limited. Elderstreet Holdings Limited is the 100% parent entity of Elderstreet Investments, an FCA authorised and regulated fund manager under FSMA with reference number 148527. The consideration for the acquisition was £ 792,148.00. The vendors have each given certain warranties customary for a transaction of this type which concern the business, assets and affairs of Elderstreet Holdings Limited and its group and are subject to certain restrictive covenants set out in the agreement. The acquisition agreement is governed by the laws of England and Wales.

14.12 2021 Placing Agreement

On 14 June 2021, the Company, Numis and Goodbody entered into a placing agreement pursuant to which Numis and Goodbody each agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for new Ordinary Shares at £8.00 per share. Numis and Goodbody were paid commissions based on the aggregate value of the new Ordinary Shares. The Company gave warranties and indemnities to Numis and Goodbody which were standard for an agreement of this nature. The placing agreement is governed by the laws of England and Wales

14.13 2020 Placing Agreement

On 1 October 2020, the Company, Numis, Goodbody and Joh. Berenberg, Gossler & Co. KG (“**Berenberg**”) entered into a placing agreement pursuant to which Numis, Goodbody and Berenberg each agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for new Ordinary Shares at £5.55 per share. Numis, Goodbody and Berenberg were paid commissions based on the aggregate value of the new Ordinary Shares. The Company gave warranties and indemnities to Numis, Goodbody and Berenberg which were standard for an agreement of this nature. The placing agreement is governed by the laws of England and Wales.

14.14 Encore Ventures Acquisition Agreement

On 10 March 2020, Esprit Capital, Encore Ventures, the Company, Richard Marsh (a member of the Group’s Deal Team) and David Cummings (a consultant to the Group) entered into an acquisition agreement pursuant to which Esprit Capital acquired all of the membership interests in Encore Ventures not already held by it from Richard Marsh and David Cummings. The consideration for the acquisition was £4 million which was used by Richard Marsh and David Cummings to acquire 796,812 Ordinary Shares at £5.02 per share. The vendors have each given certain warranties customary for a transaction of this type which concern the business, assets and affairs of Encore Ventures and are subject to certain restrictive covenants set out in the agreement. The acquisition agreement was governed by the laws of England and Wales.

14.15 Earlybird Co-operation Agreement

On 3 July 2018, the Company and the Earlybird Principals (as defined therein) entered into a co-operation agreement pursuant to which, *inter alia*, the parties agreed to share dealflow, investment resources and expertise to co-invest together in high growth European technology companies. Either party can terminate the agreement on 20 business days' written notice to the other. The co-operation agreement is governed by the laws of Germany.

15 UK TAXATION

The following is a summary of certain United Kingdom tax considerations relating to the Ordinary Shares from Admission. The comments set out below are based on current United Kingdom tax law as applied in England and Wales and HMRC published practice (which may not be binding on HMRC) as of the date of this document, all of which may be subject to change, possibly with retroactive effect. They are intended as a general guide and apply only to Shareholders resident and, in the case of an individual, domiciled or deemed domiciled for UK tax purposes solely in the United Kingdom and to whom "split year" treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Ordinary Shares in the Company as an investment and who are the absolute beneficial owners thereof. The discussion does not address all possible tax consequences relating to acquiring, holding and disposing of Ordinary Shares. Certain categories of Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with the Company or the Group and those for whom the Ordinary Shares are employment related securities may be subject to special rules and this summary does not apply to such Shareholders.

Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately. Each Shareholder should be aware that, without limitation, the tax legislation of the jurisdiction in which the Shareholder is tax resident and/ or the tax legislation of the United Kingdom may, amongst other things, have an impact on any income received, or deemed to be received, from the Ordinary Shares.

15.1 Taxation of Dividends

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend. Liability to tax on dividends will depend on the individual circumstances of a Shareholder.

Individual Shareholders

A United Kingdom resident individual Shareholder will not be subject to income tax on a dividend such individual Shareholder receives from the Company if the total amount of dividend income received by the individual in the tax year (including the dividend from the Company) does not exceed the dividend allowance of £2,000, which will be taxed at a nil rate (the "**Nil Rate Amount**"). For these purposes, "dividend income" includes UK and non-UK source dividends and certain other distributions in respect of Ordinary Shares except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax.

In determining the income tax rate or rates applicable to a United Kingdom resident individual Shareholder's taxable income, dividend income is treated as the highest part of such individual Shareholder's income. Dividend income that falls within the Nil Rate Amount will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Nil Rate Amount.

To the extent that a United Kingdom resident individual Shareholder's dividend income for the tax year exceeds the Nil Rate Amount and, when treated as the top slice of such individual Shareholder's income, falls:

- (a) above such individual Shareholder's personal allowance but below the basic rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend basic rate of 7.5%;

- (b) above the basic rate limit but below the higher rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend upper rate of 32.5%; and
- (c) above the higher rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1%.

An individual UK Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double tax treaty (treaty non-resident) for a period of five years or less and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company is treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK.

Corporate Shareholders

Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 (“**CTA 2009**”) will generally not be subject to UK corporation tax (currently at a rate of 19%) on dividends received from the Company, provided certain conditions are met (including an anti-avoidance condition).

Shareholders within the charge to UK corporation tax which are not “small companies” for the purposes of the UK taxation of dividends legislation in Part 9A of the CTA 2009) will generally not be subject to UK corporation tax on dividends received from the Company, provided the dividends fall within one of the exempt classes set out in Chapter 3 of Part 9A and certain conditions are met. Examples of exempt classes (of the CTA 2009) include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company’s assets on its winding up) and which are not “redeemable” (that is shares which are redeemable as a result of their terms of issue (or any collateral arrangements) (i) requiring redemption, (ii) entitling the holder to require redemption or (iii) entitling the Company to redeem them), and dividends paid to a person holding *inter alia* less than 10% of (i) the issued share capital of the payer or (ii), where there is more than one class of share, the class of share capital in respect of which the distribution is made. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

Non-UK shareholders

A Shareholder resident or otherwise subject to tax outside the United Kingdom (whether an individual or a body corporate) may be subject to foreign taxation on dividend income under local law. Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

15.2 Taxation of Capital Gains

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of their holdings in those Ordinary Shares.

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains depending upon the Shareholder’s circumstances and subject to any available exemption or relief.

Shareholders who are resident in the United Kingdom, or, in the case of individuals, who cease to be resident in the United Kingdom for a period of five years or less, may depending on their circumstances (including the availability of exemptions or reliefs), be liable to United Kingdom taxation on chargeable gains in respect of gains arising from a sale or other disposal of Ordinary Shares in the Company.

For individual shareholders within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax, UK capital gains tax may be payable at a rate of 10%(for

2021/2022) to the extent that individuals are subject to income tax at the basic rate and any chargeable gain does not exceed the unused part of their basic rate income tax band. Where an individual is subject to income tax at the basic rate but any chargeable gain exceeds the unused part of their basic rate income tax band, the rate of capital gains tax on the excess is 20% (for 2021/2022). The rate of capital gains tax for individuals who are higher or additional rate taxpayers is 20% (for 2021/2022). Individual Shareholders may be entitled to an annual exemption from capital gains tax (this is £12,300 for the tax year 2021/2022).

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19 per cent with effect from 1 April 2017) or an allowable loss for the purposes of UK corporation tax.

15.3 Inheritance and Gift Taxes

Ordinary Shares in the Company will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there for the purpose of UK inheritance tax (under certain rules relating to long residence or previous domicile). Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. Gifts made by individuals to trustees may be subject to United Kingdom inheritance tax at the date of transfer (subject to exemptions and reliefs).

For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to participators in a close company and to trustees of settlements who hold Ordinary Shares in the Company bringing the participators and trustees within the charge to inheritance tax. Holders of Ordinary Shares in the Company should consult an appropriate professional adviser if they make a gift or a transfer at an undervalue of any kind or intend to hold any Ordinary Shares in the Company directly or indirectly through a close company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to United Kingdom inheritance tax and an equivalent tax in another country or if they are in any doubt about their United Kingdom inheritance tax position.

15.4 Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position. Investors should note that stamp duty and SDRT charges may apply irrespective of the residence of a Shareholder. Investors should also note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

Issue

No stamp duty or SDRT will arise on the issue of Ordinary Shares in registered form by the Company. In the case of SDRT in respect of shares issued to a clearance service or depositary receipt system, this is as a result of EU case law which has been accepted by HMRC. The effect of this EU case law will continue to be recognised and followed in the UK pursuant to the provisions of the European Union (Withdrawal) Act 2018, even though the UK is no longer part of the EU, unless there is a subsequent change in law.

Subsequent Transfers of Shares Registered on the Principal Share Register Transfers outside of Depositary Receipt Systems and Clearance Services

An unconditional agreement to transfer Ordinary Shares in the Company will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Transfers of Ordinary Shares in the Company which are held in certificated form will generally be subject to stamp duty at the rate of 0.5% of the consideration given for the transfer (rounded up to the next £5). The purchaser normally pays the stamp duty. An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

If a duly stamped transfer completing an agreement to transfer the Ordinary Shares is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

Where the transferee is a company connected with the transferor (or a nominee of such a company), stamp duty or SDRT (as appropriate) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the Ordinary Shares acquired.

Transfers within CREST

Paperless transfers of Ordinary Shares in the Company within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. The charge is generally borne by the purchaser. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration, in which case a liability to SDRT (usually at a rate of 0.5%) will arise. If the transferee is a company connected with the transferor (or a nominee of such a company), stamp duty or SDRT (as appropriate) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the Ordinary Shares acquired.

Transfers to and within Depositary Receipt Systems and Clearance Services

Where Ordinary Shares in the Company are transferred (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT may be payable at the higher rate of 1.5% of the amount or value of the consideration given or, in certain circumstances, the value of the Ordinary Shares. Under current UK legislation, where New Ordinary Shares are issued or transferred: (i) to (or to a nominee or agent for) a person whose business is or includes the provision of clearance services, or (ii) to (or to a nominee or agent for) a person whose business is or includes issuing depositary receipts, stamp duty or SDRT would generally be payable at the higher rate of 1.5% of the amount or value of the consideration paid for the New Ordinary Shares or in certain circumstances, the value of the New Ordinary Shares (rounded up to the next multiple of £5 in the case of stamp duty).

Following the decisions in *HSBC Holdings plc and Vidacos Nominees Ltd v HMRC C-569/07 [2010] STC 58* and *HSBC Holdings plc and The Bank of New York Mellon Corporation v The Commissioners for HMRC [2012] UKFTT 163 (TC)*, HMRC has confirmed that it will no longer seek to apply the 1.5% SDRT charge when new shares are issued into a clearance service or depositary receipt system. In its 2017 Autumn Budget the UK Government announced that it does not intend to re-introduce the charge following the UK's withdrawal from the EU.

HMRC's published view is that the 1.5% SDRT or stamp duty charge continues to apply to transfers of shares into a clearance service or depositary receipt arrangement that are not an integral part of the raising of share capital. However, in view of the continuing uncertainty, specific professional tax advisers should be engaged before transfers of Ordinary Shares are made into depositary receipt systems or clearance services.

Except in relation to clearance service businesses that have made and maintained an election under section 97A(1) of the Finance Act 1986 (to which the special rules outlined below apply), no stamp duty or SDRT is payable in respect of paperless transfers within clearance services.

There is an exception from the 1.5% charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer will arise on any transfer of Ordinary Shares in the Company into the clearance service and on subsequent agreements to transfer such Ordinary Shares within the clearance service.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

15.5 Individual Savings Accounts (“ISAs”)

The Ordinary Shares will be qualifying investments for the stocks and shares component under the current ISA regulations. No taxation will be chargeable on an account investor on any dividends, distributions or gains received in respect of the Ordinary Shares held through an ISA.

The opportunity to invest in shares through an ISA is restricted to individuals. Individuals wishing to invest in shares through an ISA should contact their professional advisers regarding their eligibility. Individual investors contemplating investing in shares through an ISA should note that there is always a risk that their current rights to hold such shares through an ISA may be prejudiced by future changes to the regulations which govern ISAs.

15.6 The Encore Funds

Encore Ventures manages Draper Esprit’s EIS funds which co-invest with the Company on UK investments. The Enterprise Investment Scheme (EIS) is designed to encourage investment in qualifying companies by providing investors with up to 30% of their investment back in income tax relief. An investor can only invest up to a maximum of £1million into EIS qualifying companies in each tax year.

Investors can also benefit from disposal relief, where such investor will not have to pay capital gains tax on a gain from the disposal of EIS shares, as long as the shares have been held for at least three years. If an investor makes a loss on the disposal, it can set this against its chargeable gains or income.

In addition, where a gain from the disposal of any asset is invested in EIS shares, this gain can be deferred and will crystallise on the disposal of the EIS shares.

15.7 Draper Esprit VCT

Draper Esprit VCT is a venture capital trust. Venture capital trusts (“VCTs”) provide private investors resident in the UK with an attractive and tax-efficient method of investing in a portfolio of small to medium-size trading companies in the UK. The principal benefits offered by VCTs to private investors are:

- (a) *Income tax relief:* Private investors subscribing for new shares in a VCT in the 2020/21 or 2021/22 tax years should receive income tax relief at 30% of the amount subscribed against their income tax liability in the year of subscription, provided that such shares are held for at least five years.
- (b) *Tax-free dividends:* Private investors should be exempt from income tax on dividends received from a VCT
- (c) *Capital gains tax exemption:* There should be no capital gains tax on disposal of shares in a VCT; conversely there is no relief for losses

- (d) *Personal taxation benefits:* All the reliefs described above are available to individual investors in the United Kingdom provided certain conditions are met and the shares are acquired within the permitted maximum of £200,000 in any one tax year. Relief from income tax on investment only applies to subscriptions for new shares.

Any person who is in any doubt as to his or her taxation position or who is liable to taxation in any jurisdiction other than the UK should consult his or her professional advisers.

16 IRISH TAXATION

16.1 Introduction

The following statements are intended only as a general guide to certain Irish tax considerations and do not purport to be a complete analysis of all the potential Irish tax consequences of acquiring, holding or disposing of Ordinary Shares. They are based on current Irish legislation and what is understood to be the current practice of Irish Revenue Commissioners as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident, and in the case of individual Shareholders, domiciled for tax purposes in (and only in) Ireland (except insofar as express reference is made to the treatment of non-Irish residents, who for the purposes of this guide will be deemed non-domiciled), who hold their Ordinary Shares as an investment (other than under a pension scheme or in an individual savings account), who are the absolute beneficial owner of both the Ordinary Shares and any dividends paid on them and who do not hold (directly or indirectly) 10% or more of the Ordinary Shares. The comments may not apply to certain Shareholders, such as dealers in securities, close companies, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. All Shareholders are advised to consult their professional advisors on their tax position, based on their own particular circumstances, before taking any action in respect of the Ordinary Shares.

16.2 Dividend Withholding Tax

No Irish dividend withholding tax is imposed on dividends paid by non-Irish resident companies.

16.3 Encashment Tax

Irish tax will be required to be withheld at the rate of 25% from dividends on any Ordinary Shares, where such dividends are collected or realised by a bank or encashment agent in Ireland on behalf of any Shareholder. There is an exemption from encashment tax where the beneficial owner of the dividend is not resident in Ireland and has made a declaration to the effect in the prescribed form (Form 1 FD) to the encashment agent or bank.

16.4 Taxation of Dividends

Individuals

Irish tax resident and domiciled individual Shareholders (i.e. an individual who is either resident or ordinarily resident in Ireland for tax purposes) will generally be subject to Irish income tax (plus Universal Social Charge (“**USC**”) and pay-related-social-insurance (“**PRSI**”), if applicable).

A Shareholder who is not resident or ordinarily resident in Ireland generally has no liability to Irish income tax, USC or PRSI on a dividend from a non-Irish resident company.

Companies

A corporate Shareholder which is resident in Ireland will be subject (with some exceptions) to corporation tax on any dividends received from the Company.

16.5 Capital Gains Tax on a subsequent disposal of Ordinary Shares

For the purposes of taxation of capital gains and corporation tax on capital gains (as appropriate) (“**Irish CGT**”), where a Shareholder disposes of some or all of their Ordinary Shares they should be treated as having made a disposal of those Ordinary Shares for Irish tax purposes. This may, subject to the Shareholder’s circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT (currently at a rate of 33%).

16.5.1 Individuals

An individual Shareholder who is not resident or ordinarily resident in Ireland will generally have no liability to Irish CGT on a disposal of their Ordinary Shares so long as they remain listed on a stock exchange.

Individuals who have ceased to be resident for tax purposes in Ireland for a period of less than five years and who dispose of their Ordinary Shares during that period may, in certain circumstances (which may be limited by the availability of exemptions, reliefs and/or available losses), be subject to tax on their return to Ireland in respect of gains realised whilst they are not resident in Ireland.

16.5.2 Companies

Non-Irish tax resident corporate Shareholders (who do not hold their Ordinary Shares in connection with a trade carried on by them in Ireland) will not be subject to Irish CGT on a disposal of their Ordinary Shares so long as they remain listed on a stock exchange.

An exemption may be available to certain Irish resident corporate Shareholders on the disposal of shares where they may otherwise be subject to corporation tax on a capital gain. Assuming the business of the Group, taken as a whole, consists wholly or mainly of the carrying on of a trade or trades, gains arising on disposal of Ordinary Shares will generally (subject to exceptions) be exempt from Irish corporation tax where a consecutive period of 12 months ending not more than two years before the date of disposal the Irish-resident corporate Shareholder, either directly or indirectly, holds at least 5% of the Company’s ordinary share capital, is beneficially entitled to at least 5% of the profits available for distribution to equity holders of the Company and would be beneficially entitled to at least 5% of the assets available for distribution to equity holders on a winding up.

16.6 Stamp Duty

No Irish stamp duty should be payable on the issue of Ordinary Shares.

16.6.1 Subsequent Transfers

No Irish stamp duty will generally be payable on any subsequent transfer of the Ordinary Shares provided the Ordinary Shares do not derive their value or the greater part of their value, directly or indirectly, from immoveable property (other than apartments) in Ireland and the transfer does not relate to any immoveable property situated in Ireland or any right over or interest in such property, or any stocks or marketable securities of an Irish company.

16.7 Capital Acquisitions Tax

A gift or inheritance of Ordinary Shares will be within the charge to capital acquisitions tax (which, subject to available exemptions and reliefs, is currently levied at 33%) if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland on the relevant date; or (ii) if the Ordinary Shares are regarded as property situated in Ireland, which is unlikely unless the share register is kept in Ireland.

Gifts and inheritance between spouses are exempt from capital acquisitions tax.

17 LITIGATION

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company and of the Group.

18 RELATED PARTY TRANSACTIONS

Save as described in notes 29, 31 and 30 to the Group's annual reports for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 respectively, which forms part of the Historical Financial Information incorporated into this document by reference as set out in Part 15 (*Documents Incorporated by Reference*) of this document, there are no 'related party transactions' (within the meaning of IFRS) required to be disclosed under the accounting standards applicable to the Company, to which the Company was a party during the period of the Historical Financial Information and up to the date of this document.

19 WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements that is for at least the next 12 months from the date of this document.

20 NO SIGNIFICANT CHANGE

Save for the Company raising c.£111 million by way of a placing of new Ordinary Shares to institutional investors, and an offer made by the Company for retail investors in the UK to subscribe for new Ordinary Shares via the PrimaryBid Limited platform at £8.00 per share in June 2021 (further details of which are set out at paragraph 1.3 of Part 7 of this document), there has been no significant change in the financial position or financial performance of the Group which has occurred since 31 March 2021, being the end of the last financial period for which the audited financial statements has been published.

21 EMPLOYEES

As at 31 March 2021, the Group employed 37 employees and expects its headcount to continue to support its growth. The following tables details the monthly average number of persons (including the Directors) employed by the Group.

Employees by function

	Financial year ending 31 March*		
	2019	2020	2021
Directors	5	6	6
Technology investment	13	12	12
Corporate functions	9	15	19
Total	27	33	37

Employees by location

	Financial year ending 31 March*		
	2019	2020	2021
United Kingdom	25	30	35
Republic of Ireland	2	3	2
Total	27	33	37

* monthly average over the course of each financial year.

22 PREMISES

The Group leases office buildings in London for use by its staff. The Group also has an office in Dublin, however the contract for this office is classified as a service contract and not a lease.

23 ENVIRONMENT

Draper Esprit's business generally does not have a significant environmental impact. The Directors believe that it is in substantial compliance with all applicable environmental and health and safety laws and regulations.

24 INSURANCE

Draper Esprit maintains insurance policies covering a range of risks including those related to physical damage to, and loss of, equipment and property, injury to employees, cyber and business interruption as well as coverage against claims and general liabilities which may arise through the course of normal business operations. Draper Esprit engages an insurance broker to advise on the necessary types and levels of coverage, and reviews its coverage with its broker annually. Draper Esprit renews most of its insurance policies annually. It also maintains various other insurance policies to cover a number of other risks related to its business, such as director and officer cover and employment practices.

25 INVESTMENT OBJECTIVE AND INVESTING POLICY

25.1 The current investment objective and investing policy of the Company is set out below. From Admission, the investment objective and investment policy set out at paragraph 5 of Part 7 (Business Description) of this document shall apply to the Company.

Investment objective

The investment objective of the Group is to generate capital growth for Shareholders by the creation, funding, incubation and development of high-growth technology businesses.

Investing policy

The Group intends to meet its investment objective by: (i) providing early stage businesses with initial smaller rounds of seed and series A primary investments and co-investments; (ii) making larger series B+ and later series C+ primary investments and co-investments for scaling technology companies; and (iii) undertaking secondary transactions.

The Group will seek exposure to early stage companies which combine technology and service provision, are able to generate strong margins through significant intellectual property or strong barriers to entry, are scalable and require relatively modest investment. The Group will primarily seek exposure to developing companies in, but not limited to, the following sectors of the digital economy: consumer technology, enterprise technology, hardware and healthcare.

Form of investment

Investments are expected to be mainly in the form of equity, although investments may be made by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Directors intend to take positions (with suitable minority protection rights where appropriate), primarily in unquoted companies. Draper Esprit (acting through the relevant Group entity) is an active investor, usually taking a board position on the investee company.

Given the time frame required to fully maximise the value of an investment, the Board expects that investments will be held for the medium to long term, although short term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Directors intend to re-invest the proceeds of disposals in accordance with the Group's investing policy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities, in which case the Directors will consider returning the proceeds to Shareholders in a tax efficient manner.

Borrowing

Draper Esprit does not currently intend to utilise gearing. However, Draper Esprit may, in the future, use gearing if it believes it will enhance Shareholder returns over the longer term. If, in the future, Draper Esprit does decide to introduce gearing it would seek to maintain a conservative level of gearing and would intend to limit Draper Esprit's borrowings to a maximum of 25% of Net Asset Value at the time of investment.

Treasury

Cash held by the Group pending investment, reinvestment or distribution will be managed by the Group in accordance with the Group's treasury policy and placed in bank deposits with major global financial institutions, in order to protect the capital value of the Group's cash assets. Investments are expected to be held by the Company or a subsidiary to be incorporated for the purpose of holding an investment.

- 25.2** In order to ensure that the Company satisfies certain eligibility requirements set out in the Listing Rules, Shareholders approved certain amendments to the Company's investment policy on 14 July 2021 (details of which is set out at paragraph 5 of Part 7 (Business Description) of this document), which will take effect on Admission.

26 SERVICE PROVIDERS

26.1 Esprit Capital Partners

The Company and Esprit Capital have entered into the AIFM Agreement (a summary of which is set out at paragraph 14.1 of this Part 13 of this document) pursuant to which Esprit Capital has been appointed as the Company's AIFM for the purposes of the UK AIFM Regime. Esprit Capital is responsible for the portfolio and risk management functions of the Company. Esprit Capital carries out the on-going oversight functions and supervision and ensures compliance with the applicable requirements of the AIFM Regime. Esprit Capital is also responsible for the day-to-day administration functions of the Company (including but not limited to the maintenance of the Company's accounting records, the calculation and publication of the Net Asset Value and the production of the Company's annual and interim reports). Esprit Capital is also responsible for monitoring the Company's regulatory compliance.

26.2 The Company Secretary

The Company and Prism CoSec Limited have entered into a company secretarial agreement (a summary of which is set out at paragraph 14.2 of this Part 13 of this document) pursuant to which Prism CoSec Limited provides support to the Board's corporate governance process and its continuing compliance under the Listing Rules and the Disclosure Guidance and Transparency Rules. In addition, Prism CoSec Limited is responsible for general secretarial functions required by the Companies Act (including but not limited to the maintenance of the Company's statutory books).

26.3 The Depositary

The Company and the Depositary have entered into the Depositary Agreement (a summary of which is set out at paragraph 14.3 of this Part 13 of this document) pursuant to which the Depositary provides the Company with depositary services which include safekeeping of the assets of the Company, oversight (for example monitoring continuing compliance with the Company's investment policy and ensuring that the Company's cashflows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received) and reporting any breaches, anomalies and discrepancies. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

26.4 The Registrar

The Company utilises the services of Equiniti Limited as registrar in relation to the transfer and settlement of Ordinary Shares.

26.5 The Auditor

PricewaterhouseCoopers LLP provides audit services to the Company. The annual report and accounts are prepared according to the accounting standards laid out under IFRS and UK IFRS. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company. There is therefore no maximum amount payable under the Auditor's engagement letter.

26.6 Regulatory consultants

The Group utilises the services of IQ-EQ (Global UK) Limited in relation to certain on-going regulatory obligations of the Group.

26.7 Legal advisers

The Group utilises the services of a number of law firms in relation to the operation of its business.

27 GENERAL

27.1 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

27.2 The auditors of the Company are PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT. PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

27.3 Esprit Capital, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) acts as the investment manager of the Company and the Esprit Funds. Esprit Capital was incorporated in England and Wales as a limited liability partnership on 1 March 2006 under the Limited Liability Partnerships Act 2000 (registration number OC318087). Esprit Capital is an FCA authorised and regulated fund manager under FSMA with reference number 451191. Esprit Capital has been entered onto the UK register of UK AIFMs as a 'full-scope UK AIFM'. Esprit Capital has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

27.4 Encore Ventures, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) acts as the investment manager of the Encore Funds. Encore Ventures was incorporated in England and Wales as a limited liability partnership on 31 July 2009 under the Limited Liability Partnerships Act 2000 (registration number OC347590). Encore Ventures is an FCA authorised and regulated fund manager under FSMA with reference number 510101. Encore Ventures has been entered onto the UK register of UK AIFMs as a small authorised UK AIFM'. Encore Ventures has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

27.5 Elderstreet Investments, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) acts as the investment manager of Draper Esprit VCT plc. Elderstreet Investments was incorporated in England and Wales as a private company limited by shares on 18 June 1984 under the Companies Acts 1948 to 1981 (registration number 1825358). Elderstreet Investments is an FCA authorised and regulated fund manager under FSMA with reference number 148527. Elderstreet Investments has been entered onto the UK register of UK AIFMs as a 'small authorised UK AIFM'. Elderstreet Investments has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

27.6 Esprit Nominees Limited, whose registered office is located at 20 Garrick Street, London WC2E 9BT (telephone number +44 (0)20 7931 8800) is a wholly owned subsidiary of the Company and acts as the nominee company on behalf of the Esprit Funds. Esprit Nominees Limited was incorporated in England and Wales as a private limited company on 15 June 2006 under the Companies Act (registration number 05847353).

27.7 Aztec Financial Services (UK) Limited, whose registered office is located at Forum 4, Solent Business Park, Fareham, PO15 7AD (telephone number +44 (0)20 3818 0250), acts as the Company's depository. The Depository was incorporated in England and Wales as a private limited company on 8 February 2006 under the Companies Act 2006 (registration number 05702040). The Depository maintains its registered office and place of central administration in the United Kingdom. The Depository is authorised and regulated by the FCA. The Depository is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document. The Depository will not hold the Company's investment assets in custody. The Depository's asset ownership and verification duties with respect to non-custodial assets of the Company apply on a look-through basis to underlying assets held by financial or legal structures established by the Company. The Depository has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

27.8 Note 7 to the Consolidated Financial Statements for the financial year ended 31 March 2021 (which is incorporated into this document by reference) sets out details of all material fees payable directly or indirectly by the Group for any services provided under arrangements entered into on or prior to the date of this document.

28 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available on the Company's website (www.draperesprit.com) and for inspection at the registered office of the Company during normal business hours on any business day from the date of this document until 23 July 2021:

- the Memorandum and Articles of the Company;
- the Historical Financial Information; and
- this document.

Dated: 19 July 2021

PART 14

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Admission	the UK Admission and the Irish Admission
Admission and Disclosure Standards	the Admission and Disclosure Standards published by the London Stock Exchange as amended from time to time
AIF	an alternative investment fund within the meaning of the EU AIFM Directive and the UK AIFM Regime (as appropriate)
AIFM	an alternative investment fund manager within the meaning of the EU AIFM Directive and the UK AIFM Regime (as appropriate)
AIM	AIM, the market of that name operated by the London Stock Exchange
AIM Admission	the Company's admission to AIM on 15 June 2016
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange
approved options	options to subscribe for Ordinary Shares at an agreed price in the future pursuant to a share scheme which are UK income tax efficient for the recipient of the award of approved options when compared to unapproved options
Articles	the articles of association of the Company
Audit, Risk and Valuations Committee	the audit, risk and valuations committee of the Board
Auditor	PricewaterhouseCoopers LLP
AUM	assets under management
Board	the board of Directors of the Company or any duly constituted committee thereof
C-suite	executive-level managers within a company or business
certificated or in certificated form	not in uncertificated form
CGT	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
Companies Act or Act	the UK Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
Company or Draper Esprit	Draper Esprit plc
Company Secretary	Prism Cosec Limited
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
CREST Regulation	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
CSOP	a company share option plan
CTA 2009	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
CTA 2010	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force

DDBP	the Draper Esprit deferred bonus plan to be adopted by the Company from Admission (further details of which are set out at paragraph 9.4 of Part 13 (Additional Information) of this document)
Deal Team	the Draper Esprit deal team, forming part of the Investment Team
Depository	Aztec Financial Services (UK) Limited
Directors	the directors from time to time of the Company and “ Director ” is to be construed accordingly
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time
Draper Esprit VCT	Draper Esprit VCT plc
Draper Esprit VCT Investment Management Agreement	the investment management agreement entered into between Draper Esprit VCT and Elderstreet Investments dated 9 February 2021 pursuant to which Elderstreet Investments was appointed as Draper Esprit VCT’s AIFM
Draper Venture Network	the self-governed network of ten independent growth and venture funds, of which Esprit Capital is a member
Draper Esprit CSOP	the CSOP currently adopted by the Company (further details of which are set out at paragraph 9.2 of Part 13 (Additional Information) of this document)
Draper Esprit LTIP	the LTIP currently adopted by the Company (further details of which are set out at paragraph 9.1 of Part 13 (Additional Information) of this document)
Earlybird	Earlybird VC Management GmbH & Co. KG and any other subsidiaries and subsidiary undertakings in Earlybird VC Management GmbH & Co. KG ‘s group from time to time
Earlybird DEF	Digital East Fund 2013 SCA SICAR
Earlybird Fund IV	Earlybird GmbH & Co. Beteiligungs-KG IV, being the fourth fund managed by Earlybird
Earlybird Fund VI	Earlybird DWES Fund VI GmbH & Co. KG, being the sixth fund managed by Earlybird
Earlybird Fund VII	Earlybird DWES Fund VII GmbH & Co. KG, being the seventh fund managed by Earlybird
Earlybird Growth Opportunities Fund	Earlybird Growth Opportunities Fund I GmbH & Co. KG. , being the growth opportunities fund managed by Earlybird
EBT	employee benefit trust
EEA	European Economic Area
EIS	Enterprise Investment Scheme
EIS fund	a fund that invests in investments that meet the relevant EIS investment conditions
Elderstreet Investments	Elderstreet Investments Limited
Encore Funds	the funds managed by Encore Ventures, being DFJ Esprit Angels’ EIS Co-Investment Fund, DFJ Esprit Angels’ EIS Co-Investment II, DFJ Esprit EIS III, DFJ Esprit EIS IV and each an “ Encore Fund ”
Encore Ventures	Encore Ventures LLP

ERISA	U.S. Employee Retirement Income Security Act of 1974, as amended
ESG	environmental and social governance
Esprit Capital	Esprit Capital Partners LLP
Esprit Fund 1	Esprit Capital I Fund No.1 Limited Partnership and Esprit Capital I Fund No. 2 Limited Partnership
Esprit Fund 2	Esprit II LP
Esprit Fund 3	Esprit Capital III L.P. and Esprit Capital III B L.P.
Esprit Fund 3(i)	Esprit Capital Fund III(i) LP and Esprit Capital Fund III(i)A LP
Esprit Funds	Esprit Fund 1, Esprit Fund 2, Esprit Fund 3 and Esprit Fund 3(i) and each an “ Esprit Fund ”
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
EU Transparency Directive	Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Euronext Dublin or Irish Stock Exchange	the Irish Stock Exchange plc (trading as Euronext Dublin)
Euronext Dublin Market	the regulated market of Euronext Dublin
Euronext Growth Market	the Euronext Growth market operated and regulated by Euronext Dublin
Euronext Growth Rules	the rules set out in the Euronext Growth Markets Rule Book, as amended from time to time
European Union or EU	the European Union first established by the treaty made at Maastricht on 7 February 1992
Euros or EUR or €	the lawful currency of participating member states of the European Union
Executive Directors	Martin Davis (Chief Executive Officer), Stuart Chapman (Chief Portfolio Officer) and Ben Wilkinson (Chief Financial Officer);
Facility Agreement	the facility agreement dated 3 June 2019 between the Company (as borrower), Silicon Valley Bank (as arranger, original lender, agent and security agent) and Investec Bank plc (as original lender) as amended pursuant to the amendment letter and the extension request related thereto, each dated 15 June 2020 and further amendment letter and extension request each dated 28 May 2021;
FCA	the Financial Conduct Authority or any successor authority

FCA Handbook	the FCA handbook of rules and guidance as amended from time to time
follow-on investment	an investment in an investee company where a primary investment has already been made
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
Goodbody	Goodbody Stockbrokers Unlimited Company
Gross Portfolio Value	gross value of the portfolio of investee companies held by funds controlled by the Company before accounting for deferred tax, external carried interest and amounts co-invested
Group	the Company and all of its subsidiaries and subsidiary undertakings in the Company's group from time to time
Growth Fund	a new growth fund to be launched in due course by the Company of up to US\$400 million at first close (of which it is anticipated that at least 50% will be third party funds)
Historical Financial Information	has the meaning given to it at Part 15 (Documents Incorporated by Reference) of this document
HMRC	Her Majesty's Revenue and Customs
IFRS	international financial reporting standards as issued by the International Accounting Standards Board as adopted by the European Union
IMC Rules	the Central Bank (Investment Market Conduct) Rules 2019
Investment Committee	the investment committee of the Company
Investment Team	the Group's investment team, consisting of the Deal Team and the Platform Team
IPO	an initial public offering
Irish Admission	the admission of the Ordinary Shares to a secondary listing on the Irish Official List and to trading on the Euronext Dublin Market becoming effective in accordance with the Irish Listing Rules
Irish Corporate Governance Annex	the Irish Corporate Governance Annex published in December 2010 by the Irish Stock Exchange as appended to the Irish Listing Rules
Irish Listing Rules	Rule Book II of Euronext Dublin relating to admission to the Official List of the Irish Stock Exchange and the applicable sections of Rule Book I (Harmonised Rules) of Euronext, as each may be amended from time-to-time
Irish MAR	the European Union (Market Abuse) Regulations 2016, the IMC Rules and any rules issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014 of Ireland as each may be amended from time to time
Irish Official List	the official list maintained by Euronext Dublin
Irish Prospectus Rules	the European Union (Prospectus) Regulations 2019 of Ireland (as amended), the IMC Rules and any rules issued by the Central Bank of Ireland under section 1363 of the Companies Act 2014 of Ireland as each may be amended from time to time
Irish Takeover Rules	the Takeover Rules issued by the Irish Takeover Panel, as amended from time to time
Irish Transparency Regulations	the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended)

Irish Transparency Rules	the Irish Transparency Regulations, the IMC Rules, and any rules issued by the Central Bank of Ireland under Section 1383 of the Irish Companies Act 2014 as each may be amended from time to time
IRR	internal rate of return
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
ISIN	International Securities Identification Number
Key Information Document(s)	the key information document(s) relating to the Ordinary Shares and/or any other class of shares issued by the Company from time to time (as the context requires), produced pursuant to the PRIIPs Regulation, as amended and updated from time to time
LEI	Legal Entity Identifier
Listing Rules	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
London Stock Exchange or LSE	London Stock Exchange plc
LTIP	a long term incentive plan
Main Market	the London Stock Exchange's main market for listed securities
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time which is part of UK law by virtue of the European Union (Withdrawal) Act 2018
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID") and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR", and together with MiFID, "MiFID II"), as amended from time to time
M J Hudson	members of the MJ Hudson asset management consultancy group whose ultimate parent undertaking is MJ Hudson Group plc and who are a specialist consultancy and fund analytics service provider to the asset management industry
Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
Net Asset Value per Ordinary Share	at any time, the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
New Draper Esprit CSOP	the CSOP to be adopted by the Company from Admission (further details of which are set out at paragraph 9.6 of Part 13 (Additional Information) of this document)
New Draper Esprit LTIP	the LTIP to be adopted by the Company from Admission (further details of which are set out at paragraph 9.3 of Part 13 (Additional Information) of this document)
Nominations Committee	the nominations committee of the Board

Non-Executive Directors	Karen Slafford (Non-Executive Chairperson), Richard Pelly (Non-Executive Director), Grahame Cook (Non-Executive Director) and, conditional upon Admission, Gervaise Slowey (Non-Executive Director)
Numis	Numis Securities Limited (trading as Numis Securities)
Official List	the official list maintained by the FCA pursuant to Part VI of FSMA
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company and “ Ordinary Share ” shall be construed accordingly
patient evergreen capital	a long-term investment strategy to support businesses with high growth potential to access the long-term financing they need to scale with any returns on investment being re-deployed in the same and other investments
Platform Team	the Group’s platform team, forming part of the Investment Team
Prelude Ventures	Prelude Ventures Limited, the management contract of which the Group acquired in 2006
PRIIPs Regulation	the UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019
primary investment	a new investment in an investee company
Proposed Director	Gervaise Slowey who is appointed to the Board conditional upon Admission
Prospectus Regulation	the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
realisation multiple	the realisation value as a multiple of invested capital
Register	the register of Shareholders of the Company
Registrar	Equiniti Limited
Regulation S	Regulation S promulgated under the U.S. Securities Act, as amended from time to time
Regulatory Information Service or RIS	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Remuneration Committee	the remuneration committee of the Board
RI & Sustainability Policy	the Draper Esprit Group Responsible Investment & Sustainability Policy
Run-off	the period in the life cycle of a venture capital fund when it has deployed all of its available cash committed to that fund and is in the process of managing and realising its existing investments

Run-rate revenue	a method of projecting upcoming revenue for high growth companies over a longer time period (usually one year) based on previously earned revenue
SDGs	the United Nations Sustainable Development Goals
secondary investment	an investment in already established third party funds, whereby a new investor acquires an interest from an existing investor seeking liquidity
SEDOL	the Stock Exchange Daily Official List
Seed Fund of Funds	the seed fund of funds programme pursuant to which the Group invests in seed funds across Europe
series A investment	a first round of financing (following seed capital) in the early stage financing cycle of a new business
series B investment	a second round of financing in the early stage financing cycle of a new business, made in relation to primary investments
series B+ investment	a second or subsequent round of financing in the early stage financing cycle of a new business, made in relation to Primary Investments
series C investment	a third round of financing in the financing cycle of a new business, made in relation to Primary Investments
series C+ investment	a third or subsequent round of financing in the early stage financing cycle of a new business, made in relation to primary investments
series D investment	a fourth round of financing in the financing cycle of a new business, made in relation to primary investments
series E investment	a fifth round of financing in the financing cycle of a new business, made in relation to primary investments
Shareholder	a holder of Ordinary Shares
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
Small Authorised UK AIFM	an authorised sub-threshold UK AIFM that is required to comply with the requirements set out in Article 3 of the EU AIFM Directive as amended by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019
SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Sterling or GBP or £ or pence	the lawful currency of the United Kingdom
Target Market Assessment	has the meaning defined on page 22 of this document
Tax Efficient Review	an independent UK based organisation which reviews the tax efficient investment market for UK based independent financial advisers
term sheet	a legal document that outlines the principal terms made between an investor and an investee company
TSR	total shareholder return
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended from time to time

U.S. Person	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time
U.S. Tax Code	the U.S. Internal Revenue Code of 1986, as amended from time to time
UK Admission	the admission of the Ordinary Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards
UK AIFM Regime	together, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming part of the FCA Handbook
UK AIFMD	the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UK IFRS	international accounting standards in conformity with the requirements of the Companies Act 2006
unapproved options	options to subscribe for Ordinary Shares at an agreed price in the future pursuant to a share scheme which are not UK income tax efficient for the recipient of the award of unapproved options when compared to approved options
uncertificated or in uncertificated form	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
UK Takeover Code	the UK City Code on Takeovers and Mergers, as amended from time to time
United States of America, United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
USD or US\$	U.S. dollars, being the lawful currency of the United States of America
VAT	value added tax
VCT	venture capital trust
VCT fund	a fund that invests in investments that meet the relevant VCT investment conditions

PART 15

DOCUMENTS INCORPORATED BY REFERENCE

The Company's annual reports for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 (together the "**Historical Financial Information**") contain information which is relevant to Admission. These documents are available on the Company's website at <https://draperesprit.com/investors/plc/results-and-reports>.

The table below sets out the information from the Historical Financial Information which is incorporated by reference into, and forms part of, this document and which is available for inspection as set out in paragraph 28 of Part 13 (Additional Information) of this document.

Any non-incorporated parts of the Historical Financial Information are either not relevant for the purposes of Admission or the relevant information is included elsewhere in this document. Any documents themselves incorporated by reference or referred or cross-referred to in the Historical Financial Information shall not form part of this document.

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Annual Report for the financial year ended 31 March 2020 https://draperesprit.com/investors/plc/results-and-reports	Chair's Introduction	3
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