THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately seek your own advice from a stockbroker, solicitor, accountant or other professional adviser who is duly authorised and regulated under the FSMA if you are resident in the United Kingdom, or who is duly authorised under the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1-3) or the Investment Intermediaries Act 1995 (as amended) if you are resident in the Republic of Ireland or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares please pass this document together with the enclosed Form of Proxy to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Ordinary Shares. However those documents should not be forwarded to or sent into the United States, Canada, Australia, the Republic of South Africa or Japan. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action.

AIM and ESM are both markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM and ESM securities are not admitted to the Official List of the UK Listing Authority or the official list of the Irish Stock Exchange plc (together the ''Official Lists'') and the AIM Rules and the ESM Rules are less demanding than those of either or both of the Official Lists. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the Irish Stock Exchange has examined or approved the contents of this document.

This document does not constitute a prospectus for the purposes of the Prospectus Rules nor does it constitute an admission document prepared in accordance with the AIM Rules or ESM Rules. Accordingly, this document has not been filed with the FCA or any other competent authority. This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any Ordinary Shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore. This document does not constitute an offer to the public of transferable securities and so is not subject to the requirements or any legislation that implements the EU Prospectus Directive.

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draperesprit

DRAPER ESPRIT PLC

(Incorporated and registered in England and Wales with registered number 09799594)

Placing and subscription of 30,864,197 new Ordinary Shares at £3.24 per Ordinary Share

and

Notice of General Meeting

Numis Securities Limited (''**Numis**''), which is a member of the London Stock Exchange, is authorised and regulated in the UK by the FCA and is acting as nominated adviser to the Company for the purposes of the AIM Rules and as joint broker to the Company in connection with the Placing. Numis is not acting for, and will not be responsible to, any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or on any transaction or arrangement referred to in this document. Numis' responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company, any Director or to any other person. No representation or warranty, express or implied, is made by Numis as to, and no liability is accepted by Numis in respect of, any of the contents of this document.

Goodbody Stockbrokers (''**Goodbody**''), which is authorised and regulated by the Central Bank of Ireland, has been appointed as ESM Advisor for the purposes of the ESM Rules and has agreed to act as joint broker to the Company. Persons receiving this document should note that Goodbody is acting exclusively for the Company in connection with the Placing and is not acting for any other person and will not be responsible to any person for providing the protections afforded to customers of Goodbody or for advising any other person in connection with the Placing. Goodbody's responsibilities as the Company's ESM Advisor and broker under the ESM Rules are owed solely to the Irish Stock Exchange and are not owed to any other person. No representation or warranty, express or implied, is made by Goodbody as to, and no liability is accepted by Goodbody in respect of, any of the contents of this document.

This document should be read in conjunction with the Form of Proxy and the Notice of General Meeting set out at the end of this document. Your attention is drawn to the letter from the Chair of the Company set out on pages 8 to 14 of this document containing a recommendation from the Board that you should vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of the General Meeting to be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU at 1.00 p.m. on 19 June 2017 is set out on pages 15 to 17 of this document. The accompanying Form of Proxy for use at the General Meeting should be completed in accordance with the instructions printed thereon and returned as soon as possible to the Company's registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA but by no later than 1.00 p.m. on 15 June 2017. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

CONTENTS

IMPORTANT NOTICE

Forward-looking statements

This document contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "predict" or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the planned use of the proceeds for the Placing and Subscription the Group's liquidity position, the future performance of the Group, future interest rates and currency controls, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchanges rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as of the date they are made. These forward looking statements reflect the Company's judgement at the date of this document and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the Irish Stock Exchange, the AIM Rules, the ESM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

References

All times referred to in this document are, unless otherwise stated, references to UK time.

All references in this document to "**£**", "**pence**" or "**p**" are to the lawful currency of the UK, all references in this document to "**Euros**" or "**€**" are to the lawful currency of the participating member states of the Eurozone and all references in this document to "**US Dollars**" or "**US$**" are to the lawful currency of the United States. This document uses an exchange rate of £1.00: €1.15 and £1.00: US$1.29 (as at 1 June 2017).

ISSUE STATISTICS

Issue Price	£3.24
Number of Placing Shares	25,912,346
Number of Subscription Shares*	4,951,851
Gross proceeds of the Placing and the Subscription	c. £100 million
Net proceeds of the Placing and the Subscription	c. £95.2 million
Number of Ordinary Shares in issue on the date of this document	40,747,576
Number of Ordinary Shares in issue at Admission following the Placing and the Subscription*	71,611,773
Placing Shares and Subscription Shares expressed as a percentage of the Enlarged Share Capital*	43.1 per cent.

**Assuming, inter alia, that the conditions set out in the Invesco Perpetual Subscription Agreement have been satisfied in full on or before Admission.*

EXPECTED TIMETABLE

Publication of this document	2 June 2017
Latest time and date for receipt of Forms of Proxy	1.00 p.m. on 15 June 2017
General Meeting	1.00 p.m. on 19 June 2017
Admission of Placing Shares and Subscription Shares	8.00 a.m. on 20 June 2017
Expected time and date for CREST accounts to be credited in relation to the Placing Shares and Subscription Shares	8.00 a.m. on 20 June 2017
Despatch of definitive share certificates (where applicable) in relation to the Placing Shares and Subscription Shares expected by no later than	30 June 2017

Notes:

1. *Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions at the General Meeting.*
2. *If any of the events contained in the timetable should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.*

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

Admission	the admission of the new Ordinary Shares to be issued pursuant to the Placing and Subscription to trading on AIM and ESM becoming effective in accordance with the AIM Rules and the ESM Rules respectively
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange governing admission to and trading on AIM, as may be amended from time-to-time
Board	the board of Directors of the Company
certificated or **in certificated form**	the description of a share or security which is not in uncertificated form (that is, not in CREST)
Company or **Draper Esprit**	Draper Esprit plc
CREST	the relevant systems for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the CREST Regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations for the time being in force
Directors	the directors of the Company, whose names are set out on page 8 of this document
EIS	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
Enlarged Share Capital	the Ordinary Shares in issue immediately following the issue and allotment of the Placing Shares and the Subscription Shares at Admission
Encore Funds	DFJ Esprit Angels' EIS Co-investment Fund, DFJ Esprit Angels' EIS Co-investment II, DFJ Esprit EIS III and DFJ Esprit EIS IV, Draper Esprit EIS V and Draper Esprit EIS
Encore Ventures	Encore Ventures LLP, the investment manager of the Encore Funds
ESM	the Enterprise Securities Market operated and regulated by the Irish Stock Exchange
ESM Advisor	Goodbody, in its capacity as ESM Advisor to the Company for the purposes of the ESM Rules
ESM Rules	the ESM Rules for Companies published by the Irish Stock Exchange
Esprit Fund 1	Esprit Capital I Fund No. 1 LP and Esprit Capital I Fund No. 2 LP
Esprit Fund 2	DFJ Esprit II LP
Esprit Fund 3	Esprit Capital III, L.P.
Esprit Fund 3(i)	DFJ Esprit III(i) and DFJ Esprit III(i)A
Esprit Funds	Esprit Fund 1, Esprit Fund 2 and Esprit Fund 3(i)
EU Prospectus Directive	Directive 2003/71/EC
Existing Ordinary Shares	the Ordinary Shares in issue as at the date of this document
FCA	the Financial Conduct Authority

Form of Proxy	the form of proxy for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000, as may be amended from time-to-time
General Meeting or **GM**	the general meeting of the Company convened for 1.00 p.m. on 19 June 2017 (or any adjournment or postponement thereof)
Goodbody	Goodbody Stockbrokers Unlimited Company, a company incorporated in Ireland with registered number 54223 and having its registered office at Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83 Ireland
Group	the Company, together with its subsidiaries and subsidiary undertakings and, for the purposes of investments made by the Group, includes the Encore Funds
Invesco Perpetual	Invesco Asset Management Limited, having its registered office at Perpetual Park, Perpetual Park Drive, Henley on Thames, RG9 1HH, acting as agent for and on behalf of its discrectionary managed clients
Invesco Perpetual Subscription Agreement	the subscription agreement dated 1 June 2017 between the Company and Invesco Perpetual relating to the Subscription
Invesco Subscription Shares	the 1,851,851 Ordinary Shares (subject to adjustment) to be issued to Invesco Perpetual pursuant to the terms of the Invesco Perpetual Subscription Agreement
IPO	the admission of the Company's entire issued ordinary share capital to trading on AIM and ESM which took place on 15 June 2016
Irish Stock Exchange	Irish Stock Exchange plc
ISIF	the National Treasury Management Agency (as controller and manager of the Ireland Strategic Investment Fund)
ISIF Subscription Agreement	the subscription agreement dated 1 June 2017 between the Company and ISIF relating to the Subscription
ISIF Subscription Shares	the 3,100,000 Ordinary Shares to be issued to ISIF pursuant to the terms of the ISIF Subscription Agreement
Issue Price	324 pence per Placing Share and/or Subscription Share (as appropriate)
London Stock Exchange	London Stock Exchange plc
Notice of General Meeting	the notice of General Meeting, set out at the end of this document
Numis	Numis Securities Limited, a company incorporated in England and Wales with registered number 02285918 and having its registered office at 10 Paternoster Square, London EC4M 7LT
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Placing	the placing of the Placing Shares pursuant to the Placing Agreement
Placing Agreement	the placing agreement dated 2 June 2017 between (1) Numis, (2) Goodbody and (3) the Company relating to the Placing
Placing Shares	25,912,346 new Ordinary Shares which are to be placed in accordance with the terms of the Placing, conditional *inter alia* on the passing of Resolutions 1 and 2
Portfolio	has the meaning given to it in Part 1 of this document
Prospectus Rules	the Prospectus Rules made by the FCA under Part VI of FSMA
Resolutions	the resolutions set out in the Notice of General Meeting
Shareholders	holders of Ordinary Shares

Subscription	(i) the subscription by ISIF for 3,100,000 Subscription Shares at the Issue Price pursuant to the terms of the ISIF Subscription Agreement; and (ii) the Subscription by Invesco Perpetual for 1,851,851 Subscription Shares at the Issue Price pursuant to the terms of the Invesco Perpetual Subscription Agreement
Subscription Agreements	the ISIF Subscription Agreement and the Invesco Perpetual Subscription Agreement
Subscription Shares	(i) the ISIF Subscription Shares; and (ii) the Invesco Subscription Shares, all conditional *inter alia* on the passing of Resolutions 1 and 2
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of FSMA
VCT	venture capital trust
WIM	Woodford Investment Management

PART I

LETTER FROM THE CHAIR

DRAPER ESPRIT PLC

(Incorporated and registered in England and Wales with registered number 09799594)

Directors:	**Registered Office:**
Karen Slatford *(Non-executive Chair)*	20 Garrick Street
Simon Cook *(Chief Executive Officer)*	London
Stuart Chapman *(Chief Operating Officer)*	WC2E 9BT
Grahame Cook *(Non-executive Director)*	
Richard Pelly *(Non-executive Director)*	

2 June 2017

To holders of Ordinary Shares and, for information purposes only, to the holders of options to subscribe for Ordinary Shares

Dear Shareholder

Placing and Subscription of 30,864,197 new Ordinary Shares at £3.24 per Ordinary Share

and

Notice of General Meeting

1. Introduction

The Company announced on 2 June 2017 a placing of, in aggregate, 25,912,346 Placing Shares and a subscription of 4,951,851 Subscription Shares at the Issue Price (subject to adjustment in respect of the Invesco Perpetual Subscription Agreement as described in paragraph 7 below).

Once completed, the gross proceeds from the Placing and Subscription will be approximately £100 million. The primary purpose of the Placing and Subscription is to raise further funds so that the Company may continue to develop its successful strategy since IPO of investing in early and growth stage digital technology businesses in order to deliver attractive long term returns to investors.

The allotment of the Placing Shares and Subscription Shares is conditional, *inter alia*, upon the Company obtaining approval of the Shareholders at the General Meeting to grant the Directors the authority to allot such Placing Shares and Subscription Shares and to disapply statutory pre-emption rights which would otherwise apply to such allotment.

The purpose of this document is to explain the background to and reasons for the Placing and Subscription, to explain why the Board considers the Placing and Subscription to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they, and senior management of the Group, intend to do in respect of their own beneficial interests amounting, in aggregate, to 6.5 million Ordinary Shares representing 15.95 per cent. of the Existing Ordinary Shares.

2. Background to the Placing and Subscription

The Company is a pan-European venture capital company developing and investing in disruptive, high growth technology companies with global potential. It is one of the most active venture capital businesses in Europe, with approximately £380 million of assets under management[1] increasing to in excess of £500 million following completion of the Placing and Subscription and completion of the proposed conditional late stage portfolio acquisition described below. The Directors believe that the best entrepreneurs in Europe are capable of building world leading technology companies, when given long term growth capital, access to global networks and support from an experienced investment team.

1 Unaudited. Consisting of the assets of: (i) the Group (as at 31 March 2017); (ii) the Esprit Funds (as at 31 December 2016); (iii) the Encore Funds (as at 31 December 2016 plus subsequent fundraisings); and (iv) 30.77 per cent. of the Elderstreet VCT plc (as at 31 December 2016 plus subsequent fundraisings).

Progress since the IPO

On 15 June 2016, the Company's entire issued ordinary share capital was admitted to trading on AIM and the ESM.

The Group has been very active since the IPO and has seen strong growth within the Portfolio, both in terms of underlying revenues and commercial milestones being achieved by its portfolio companies.

Exits and investments

The Company announced the following disposals since the IPO:

- September 2016 – the sale of Movidius to Intel Corporation. Movidius is a leader in high performance, ultra-low power computer vision technology for connected devices. This sale brings an estimated total cash return to the Company of approximately £27.4 million before provision for accrued tax and carried interest payments, and including funds in escrow. This represented a cash exit multiple on funds invested by the Company of 7.6x.;
- October 2016 – the sale of Qosmos to ENEA. Qosmos is a supplier of Network Intelligence software based on Deep Packet Inspection and commands a dominating share of its market. The sale was for a total cash consideration of approximately €52.7 million resulting in cash to the Company, including escrows, of £8.0 million. This represented a cash exit multiple on funds invested by the Company of 1.9x; and
- November 2016 – the sale of Datahug, a sales forecasting software company, to Callidus Software Inc for a cash consideration of approximately US$13.0 million, resulting in a cash return to the Company of approximately £3.6 million, including funds held in escrow. This represented a cash exit multiple on funds invested by the Company of 1.6x.

Since the September 2016 interim results the Group has disposed of its remaining holding in Horizon Discovery. The Company realised a cash return on investment of £2.9 million which represented a cash exit multiple of 2.6x. In addition, the Company also exited its investment in Worldstores which realised a cash loss of £4.3m. The total amount of cash generated from realisations since the IPO is £42.0 million (including amounts held in escrow).

New investments

Notable new additions to the Portfolio since the IPO include:

- £2.3 million invested by the Company of £3.1 million invested by the Group in Graphcore, a machine intelligence semiconductor company;
- £3.0 million invested by the Company in LifeSum, a leading health tracking mobile app company;
- £1.0 million invested by the Company of £1.5 million invested by the Group in PushDoctor, an on-demand healthcare mobile app company;
- £0.9 million invested by the Company of £1.3 million invested by the Group in Resolver, a customer service software company;
- £1.7 million invested by the Company of £2.5 million invested by the Group in Perkbox, an employee benefits and engagement platform;
- £8.1 million invested by the Company in Clavis, a leading ecommerce insights company;
- £1.1 million invested by the Company of £1.7 million invested by the Group in Realeyes, a machine learning technology that measures emotions;
- £4.3 million invested by the Company in Clue, the digital female health company;
- £3.3 million invested by the Company in Ravenpack, the big data analytics provider for financial services; and
- £3.4 million invested by the Company in Podpoint, one of the UK's leading providers of electric car charging solutions for home, workplace and public charging.

In addition, the Company has increased its investment in Trustpilot, the global multi-language review company, bringing the total that it has invested in new and existing portfolio companies to £37.0 million (excluding cash invested by EIS and VCT co-investment funds) since the IPO.

The Draper Esprit Model

Over the past 9 years the Group has achieved a 20 per cent. annual portfolio return[2], underpinned by an average 30 per cent. revenue growth of its core investment companies[3].

Draper Esprit's investment model has three main elements:

Primary investments

The Group owns, subject to certain existing carried interest arrangements, minority interests in 29 portfolio companies (the "**Portfolio**").

Using the proceeds from the Placing and Subscription, the Board intends to invest further capital to companies in the Portfolio and also pursue new investment opportunities. The Board expects to allocate approximately 30 per cent. of the Group's investment capital towards smaller rounds of seed and series A investments with approximately 70 per cent. being invested in larger follow-on series B+ and later series C+ investments to scale technology companies to fund later stage growth. The Board intends to realise value for Shareholders through exiting these investments over time.

The Company may also enter into arrangements with certain institutional investors to provide them with the opportunity to co-invest with the Group in primary investments should it be in the Group's strategic interests to do so. The Board anticipates that such arrangements would primarily focus on the larger follow-on B+ and later C+ investment rounds.

The Encore Funds and VCT funds

Through its 71.2 per cent. ownership of Encore Ventures (an FCA authorised and regulated management vehicle), the Group manages five EIS funds and the evergreen Draper Esprit EIS with, in aggregate £41 million of assets under management (as at 30 September 2016 plus subsequent fundraisings), of which over half is invested. The Group receives income via management fees and performance fees from the Encore Funds and the Directors intend to continue to grow this area of the business.

Encore Ventures will typically make an initial co-investment of between £500,000 and £3 million in each of the Group's primary investments. Encore Ventures typically fixes the percentage of each deal shared with the Group on an annual basis, with periodic reviews as required. Thereafter, the Encore Funds continue to co-invest in the Group's primary investments.

In November 2016, the Company acquired a 30.77 per cent. stake in a leading VCT manager, Elderstreet Holdings Limited, with an option to acquire the balance in due course. Elderstreet manages Elderstreet VCT plc, LSE:EDV, which currently has £38 million of assets under management (as at 31 December 2016 plus subsequent fundraisings). Elderstreet, provides early stage, development and growth capital for ambitious UK businesses and co-invests with the Group also.

Elderstreet will also typically make an initial co-investment of between £350,000 and £2 million in each of the Group's primary investments. Elderstreet typically fixes the percentage of each deal shared with the Group on an annual basis, with periodic reviews as required. Thereafter, Elderstreet continues to co-invest in the Group's primary investments.

Secondary investments

The Group also continues to manage three legacy Esprit Funds, Esprit Fund 1, Esprit Fund 2 and Esprit Fund 3(i). The Esprit Funds are now in run-off, and while the Group will no longer receive management fees in respect of these funds, the Company expects them to generate carried interest for the Group depending upon the realisation of certain investments held within these funds.

The Group may also make secondary investments from time-to-time by acquiring primary investments previously made by other investors (including EIS 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 to be managed by the Group.

2 Being the aggregate portfolio return since 2008 of: (i) the Company (investments and cash returns since IPO (as at 31 March 2017)); (ii) Esprit Fund 2 (as at 31 December 2016); (iii) Esprit Fund 3 (realised at IPO); and (iv) Esprit Fund 3(i) (as at 31 December 2016). Based on management information and all unaudited.

3 Being companies representing more than 70 per cent. of Company's portfolio where net asset value is greater than £5 million. Revenue growth for FY16 to FY17 (unaudited).

Through its division Draper Esprit Secondaries, the Group continues to evaluate venture capital portfolios across Europe that can be managed by the Group and which also have the potential for further direct investment. The Group expects to receive a proportion of management fees and carried interest for the management of these portfolios, in addition to any returns earned as a direct investor.

The Group has recently received third party commitments of €40 million (£34.9 million) to be used alongside the Company's own resources for the proposed acquisition of a late stage portfolio of seven technology companies which is in the process of completion (which is subject, *inter alia*, to satisfactory due diligence).

Sector Focus

The Group provides early stage and growth stage digital 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 but the Directors believe that most growth and venture capital investment opportunities in Europe of the requisite size for the Company fall into the following four core sectors underpinned by digital technologies:

Consumer Technology: companies with exceptional growth opportunities in markets that are underpinned by new consumer facing products, innovative business models and proven execution capabilities.

Enterprise Technology: companies developing the software infrastructure, applications and services that drive productivity improvements, convenience and cost reduction for enterprises.

Hardware: companies developing differentiated technologies that underpin advances in computing, consumer electronics and other industries.

Healthcare: companies leveraging digital and genomic technologies to create new products and services for the health and wellness markets.

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.

Strategy

Draper Esprit aims to seek out high growth companies originating from across Europe that, in the Directors' view:

- operate in 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 initial public offering, with valuations ranging from US$50 million to over US$1 billion; and
- will generate multiples of invested capital for investors.

The Company is targeting a 20 per cent. portfolio return per annum[4].

Draper Esprit intends that the later stage companies that it targets will typically:

4 This is a target only and not a profit forecast or estimate. There can be no assurance that it will be met or any annual portfolio return will be achieved.

- have in excess of £2 million in run-rate revenues at the time of the investment and be growing at more than 30 per cent. per annum and so have proven their propositions commercially; and
- be likely to have been supported by non-venture capital sources of funding or have early stage local venture capital investors, or be one of Draper Esprit's own early stage portfolio 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 and rights in portfolio companies;
- allow the Group to participate in later follow-on funding rounds in order to minimise any dilution where possible; and
- potentially require the Group to invest £5 million to £10 million of equity over the course of several funding rounds in primary and secondary transactions.

3. Current trading

On 11 April 2017 the Group released a trading update ahead of its results for the financial year ended 31 March 2017 which stated that the Directors anticipated that the gross primary portfolio value of the Portfolio will be in excess of £112.0 million as at 31 March 2017 (30 September 2016: £106.9m, Admission: £78.7m). Excluding new investments and realisations, the gross portfolio value increased 41 per cent. since IPO and 10 per cent. over the six month period since 30 September 2016. As at 31 March 2017, the Group had net cash of £24.8 million (30 September 2016: £22.2 million).

4. Reasons for the Placing and Subscription and use of proceeds

The Directors believe that, given the strong pipeline of potential new deals and the desire to increase the Company's average holding in existing portfolio companies, it is the right time to raise further equity to increase the Company's available cash resources in order to capitalise on these new opportunities. The net proceeds of the Placing and Subscription will enable the Company to increase its rate of investment to approximately £60.0 million per annum (exclusive of EIS, VCT and secondary co-investments funds) and:

- continue to grow its existing portfolio of investments;
- invest in further new portfolio companies;
- where appropriate and value enhancing, continue to appraise complementary acquisition opportunities; and
- fund the Company's working capital costs.

The net proceeds of the Placing and Subscription are approximately £95.2 million and the Directors believe that these will also enable the Company to increase the size of the equity interest that it holds in portfolio companies and also the number of companies in what it considers to be the core of its portfolio.

5. The Placing and the Subscription

25,912,346 Placing Shares have been placed with placees at the Issue Price, 3,100,000 Subscription Shares have been subscribed for by ISIF at the Issue Price and 1,851,851 Subscription Shares have been subscribed for by Invesco Perpetual at the Issue Price (subject to certain conditions as set out in paragraph 7) to raise aggregate gross proceeds of approximately £100 million. The Placing, but not the Subscription, is underwritten.

The Issue Price represents a discount of approximately 3.0 per cent. to the closing mid-market price of 333.875 pence per Ordinary Share on 1 June 2017 (being the last practical date prior to the announcement of the Placing and Subscription).

The Placing and the Subscription is conditional, *inter alia*, on the approval of Resolutions 1 and 2 at the General Meeting of the Company to be held at 1.00 p.m. on 19 June 2017 and upon Admission of the Placing Shares and Subscription Shares to trading on AIM and ESM. It is expected that Admission of the Placing Shares and ISIF Subscription Shares will occur on 20 June 2017.

The Placing Shares issued pursuant to the Placing and the Subscription Shares issued pursuant to the Subscription will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

6. The Placing Agreement

Pursuant to the terms of the Placing Agreement, Numis and Goodbody have each agreed, subject to certain conditions, to place the Placing Shares on an underwritten basis at the Issue Price.

The Placing Agreement contains certain warranties from the Company in favour of Numis and Goodbody in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company has agreed to indemnify Numis and Goodbody in relation to certain liabilities it may incur in respect of the Placing. Numis and Goodbody have the right to terminate the Placing Agreement in certain circumstances prior to Admission including, without limitation, in the event of a material breach by the Company of its obligations under the Placing Agreement, the occurrence of certain *force majeure* events or a material adverse change in the financial condition of the Group.

In consideration for their services in relation to the Placing and Admission and conditional upon completion of the Placing, Numis and Goodbody will be paid a commission based on the aggregate value of the Placing Shares and the Subscription Shares at the Issue Price.

7. The Subscription Agreements

The ISIF Subscription Agreement

Pursuant to the ISIF Subscription Agreement, ISIF has agreed to subscribe for 3,100,000 Subscription Shares at the Issue Price. The Subscription is conditional, *inter alia*, on: (i) Admission occurring by not later than 8.00 a.m. on 20 June 2017 (or by such later time and/or date as agreed between the parties but in any event not later than 8.00 a.m. on 4 July 2017); and (ii) ISIF's holding of Ordinary Shares at or following Admission not being greater than 27 per cent. of the issued ordinary share capital of the Company.

The Company has agreed under the ISIF Subscription Agreement, in substitution of the similar commitment given at the time of IPO, to use its reasonable endeavours to procure that, during the period from 15 June 2016 to 20 June 2022, the Group invests at least £50 million into Irish companies, subject to compliance, in the reasonable opinion of the Directors, with the Company's investing policy and provided that nothing shall require the Directors to breach their fiduciary or statutory duties to the Company.

The Invesco Perpetual Subscription Agreement

Invesco Perpetual has agreed to subscribe for: (i) 13,580,247 Ordinary Shares at the Issue Price pursuant to the Placing; and (ii) subject to the following paragraphs, 1,851,851 Ordinary Shares at the Issue Price pursuant to the Invesco Perpetual Subscription Agreement, representing, in aggregate 21.5 per cent. of the Enlarged Share Capital.

Invesco Perpetual's subscription of the 1,851,851 Invesco Subscription Shares is conditional, *inter alia*, on the receipt of approval from the FCA under section 185 of FSMA to Invesco Perpetual holding in aggregate 20 per cent. or more of the indirect voting rights in Esprit Capital Partners LLP on terms reasonably satisfactory to Invesco Perpetual by no later than 30 September 2017.

If FCA approval is not received in time for the Invesco Subscription Shares to be admitted to AIM on 20 June 2017 but before 31 July 2017, the number of Ordinary Shares subscribed by Invesco Perpetual shall be adjusted to such number of Ordinary Shares as equals c. £6 million divided by the lower of the Issue Price and the five day volume weighted average for the five dealing days up to and including the day the FCA approval is received. If FCA approval is received before 15 June 2017 or after 31 July 2017 (but before 30 September 2017), there will be no adjustment to the number of Invesco Subscription Shares or their price. If applicable, the number of Invesco Subscription Shares (but not the subscription price) shall also be adjusted so that Invesco Perpetual's holding shall not exceed 29.9 per cent. of the issued ordinary share capital of the Company (or any lower maximum percentage stipulated by the FCA).

8. Admission and dealings

Application will be made to the London Stock Exchange and the Irish Stock Exchange for the Placing Shares and Subscription Shares to be admitted to trading on AIM and ESM respectively. The Placing Shares and Subscription Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

It is expected that Admission will become effective and that dealings in the Placing Shares and the ISIF Subscription Shares will commence on 20 June 2017.

9. Related Party Transactions

Funds managed by WIM have conditionally subscribed for 3,100,000 Placing Shares at the Issue Price. Pursuant to the ISIF Subscription Agreement, ISIF has agreed to subscribe for 3,100,000 Subscription Shares at the Issue Price. The subscription of Placing Shares by funds managed by WIM and the subscription of ISIF Subscription Shares are related party transactions pursuant to the AIM Rules and the ESM Rules.

The Directors consider, having consulted with Numis (the Company's nominated adviser) and Goodbody (the Company's ESM adviser), that the terms of the subscription by funds managed by WIM and by ISIF are fair and reasonable insofar as the Shareholders are concerned.

10. General Meeting

A notice convening the General Meeting to be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU, at 1.00 p.m. on 19 June 2017 is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

Resolutions relating to the Placing and Subscription (Resolutions 1 and 2)

Resolutions 1 and 2 will be proposed to grant the Directors the authority to allot the Placing Shares and Subscription Shares (which are equivalent to approximately 43.1 per cent. of the Enlarged Share Capital) without first offering them to existing Shareholders on a pre-emptive basis.

The Directors believe it would not be in the Shareholders' best interests to incur the significant additional expense that would be required to implement a fully pre-emptive offer of Ordinary Shares to Shareholders. The Directors have therefore concluded that seeking general authority from Shareholders to issue the Placing Shares and Subscription Shares other than on a pre-emptive basis is the most flexible and cost effective method available to the Company.

Resolutions relating to general authority to allot Ordinary Shares and waiver of pre-emption rights (Resolutions 3 and 4)

Resolutions 3 and 4 will, if passed, renew the Company's general authorities on a non-pre-emptive basis at 10 per cent. of the Company's issued ordinary share capital, but reflecting the increased number of Ordinary Shares comprised in the Enlarged Share Capital.

The authority sought under these Resolutions will expire at the earlier of the conclusion of the annual general meeting of the Company in 2017 and 30 September 2017.

11. Action to be taken and recommendation

A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and to return it to the Company's registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive not later than 1.00 p.m. on 15 June 2017. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions, as they, and senior management of the Group, intend to do in respect of their own beneficial interests amounting, in aggregate, to 6.5 million Ordinary Shares representing 15.95 per cent. of the Existing Ordinary Shares.

Yours faithfully

Karen Slatford
Non-Executive Chair

PART II

DRAPER ESPRIT PLC

(Incorporated and registered in England and Wales with registered number 09799594)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting (“**GM**”) of Draper Esprit plc (the **“Company”**) will be held at the offices of Gowling WLG (UK) LLP, 4 More London Riverside, London SE1 2AU on 19 June 2017 at 1.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed, in the case of resolutions 1 and 3, as ordinary resolutions and, in the case of resolutions 2 and 4, as special resolutions):

ORDINARY RESOLUTION

1. That the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot ordinary shares of £0.01 each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate maximum nominal amount of £310,123.45 pursuant to the Placing and Subscription (each as defined in the circular of the Company dated 2 June 2017) provided that 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 2017.

SPECIAL RESOLUTION

2. That, subject to the passing of resolution 1, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 above as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment up to an aggregate nominal amount of £310,123.45 and provided that 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 2017.

ORDINARY RESOLUTION

3. That, subject to the passing of resolution 2, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the 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 £71,611.77 provided that 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 2017 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. The authority granted by this resolution shall replace the existing authority to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company previously granted to the Directors at the annual general meeting of the Company held on 9 June 2016 pursuant to section 551 of the Act.

SPECIAL RESOLUTION

4. That, subject to the passing of resolution 3, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority conferred by resolution 3 above or by way of sale of treasury shares as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment and/or sale of equity securities up to an aggregate nominal amount of £71,611.77 and provided that this authority shall expiry (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 2017 save that the Company shall be entitled to make, prior 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 this resolution had not expired. The authority granted by this resolution shall replace the existing authority previously granted to the directors at the annual general meeting of the Company held on 9 June 2016 to allot equity securities for cash or by way of a sale of treasury shares as if section 561(1) of the Act did not apply.

Dated: 2 June 2017

Registered Office:
20 Garrick Street
London
WC2E 9BT

By order of the Board:
Prism Cosec Limited
Secretary

Notes:

Proxies

1. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the GM. A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend, speak and vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by a member. To appoint more than one proxy, the proxy form should be photocopied and the name of the proxy to be appointed indicated on each form together with the number of Ordinary Shares that such proxy is appointed in respect of (which, in aggregate, should not exceed the number of Ordinary Shares held by the member). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

2. A form of proxy is enclosed with this notice. Forms of proxy may also be obtained on request from the Company's registered office. In order to be valid any proxy form appointing a proxy must be returned duly completed no later than 1.00 p.m. on 15 June 2017 (or, if the GM is adjourned, no later than 48 hours (excluding non-business days) before the time fixed for the adjourned meeting), in hard copy form by post, by courier, or by hand to the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Submission of a proxy appointment will not preclude a member from attending and voting at the GM should they wish to do so. To direct your proxy on how to vote on the resolutions, mark the appropriate box on your proxy form with an 'x'. To abstain from voting on a resolution, select the relevant 'Vote withheld' box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the GM.

3. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be returned to the office of the Company's registrar with your proxy form.

Thresholds and entitlement to vote

4. To be passed, ordinary resolutions require a majority in favour of the votes cast in person or by proxy at the GM and special resolutions require a majority of not less than 75 per cent. of members who vote in person or by proxy at the GM. On a show of hands every shareholder who is present in person (or being a company is present by a representative not himself a shareholder) and who is allowed to vote at a general meeting shall have one vote. Upon a poll every member holding Ordinary Shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Ordinary Share of which he is the registered holder.

5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the register of members of the Company at 6.30 p.m. on 15 June 2017 (or if the GM is adjourned, members entered on the register of members of the Company no later than 6.30 p.m. two business days before the time fixed for the adjourned GM) shall be entitled to attend, speak and vote at the GM in respect of the number of Ordinary Shares registered in his or her name at that time. Changes to entries on the register of members of the Company after 6.30 p.m. on 15 June 2017 shall be disregarded in determining the rights of any person to attend, speak or vote at the GM.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same Ordinary Share.

8. As at 1 June 2017, being the latest practicable date before the publication of this notice of GM, the Company's issued share capital consisted of 40,747,576 Ordinary Shares each carrying one vote. Therefore the total voting rights in the Company as at 1 June 2017 is 40,747,576.