

Draper Esprit plc (the "Company") Information Disclosure to Investors

October 2020

Pre-Investment Disclosures for the benefit of investors as required by FUND 3.2.2R which implements the equivalent requirements of the Alternative Investment Fund Managers Directive

This document contains the information required to be made available to investors in the Company before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook) (the "AIFMD"). It is made available to investors in the Company by being made available on its website at www.draperesprit.com.

The following disclosures are made by Esprit Capital Partners LLP in its capacity as the Alternative Investment Fund Manager ("AIFM" or "Manager") of Draper Esprit plc (the "Company" or "AIF" pursuant to the FCA's Investment Funds sourcebook (FUND 3.2.2 R, which reflects the requirements of AIFMD Article 23).

The disclosures prescribed by AIFMD Article 23 and FUND 3.2.2 R are identified below together with specific reference to the section of the Company's Annual Report and Accounts which satisfy the relevant disclosure requirement. This document will be updated when appropriate and will contain the most up to date information for investors seeking to invest in the Company or review their Investment in the Company.

The Annual Report and Accounts of the Company can be found at: www.draperesprit.com. It should be noted that Esprit Capital Partners LLP is wholly owned by the Company. The Company implements its' investment objective and strategy as described below through economic interests in alternative investment funds and FCA Regulated firms comprising the Draper Esprit plc Group (the "Group").

In this document references to the "Board" are to the board of the Company; references to "Shares" are to ordinary shares of £0.01 each in the capital of the Company; and references to "Shareholders" are to shareholders in the Company.

Important Information

This document contains solely that information that the Manager is required to make available to investors in the Company pursuant to the AIFMD and should not be relied upon as the basis for any investment decision. This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and the Manager will not be responsible to persons other than the Shareholders for their use of this document, nor will they be responsible to any person (including the Shareholders) for any use which they may make of this document other than to provide information to invest in the Shares.

This document does not purport to provide complete details of the Company and potential investors should not solely rely upon this document when determining whether to make an investment. This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its Shares.

The Company and the Manager are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, the Manager or any of their subsidiaries, affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other matters concerning the Company or an investment in Shares.

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The Shares have not been, and will not be, registered under the US Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia, the Republic of South Africa or Japan.

The Company is not registered under the US Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act. Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of 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 disposal of Shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

References: AIFMD Art 23 / FUND 3.2.2R		Required Prior Disclosure of Information to Investors
1a/ 1a	Investment strategy and objectives	<p><u>Investment Objective</u></p> <p>The Company aims to generate capital growth for shareholders by the creation, funding, incubation and development of high-growth technology businesses.</p> <p><u>Investing Policy & Strategy</u></p> <p>To achieve its investment objective, the Company: (i) provides early stage businesses with initial smaller rounds of seed and series A primary investments and co-investments; (ii) makes larger series B+ and later series C+ primary investments and co-investments for scaling technology companies; and (iii) undertakes secondary transactions.</p> <p>The Company focuses on the following four sectors in the UK and Europe: consumer technology, enterprise technology, hardware & electronics and digital health & wellness. Investments are mainly in the form of equity (primarily in unquoted companies), although may be made by way of debt, convertible securities or investments in specific projects.</p>
1a/ 1b	If the AIF is a feeder AIF, information on where the master AIF is established	Not applicable. The Company is not a feeder AIF.
1a/ 1c	If the AIF is a fund of funds, information on where the underlying funds are established	Not applicable. The Company is not a Fund of Funds.
1a/ 1d	Assets in which the AIF can invest	<p>Investments, on a look-through basis, 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 Group typically takes positions (with suitable minority protection rights where appropriate), primarily in unquoted companies. The Company (acting through the relevant Group entity) is an active investor, usually taking board positions in the investee companies.</p> <p>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 Company's Investment 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.</p>
1a/ 1e	Investment techniques employed and all associated risks	<p>Investment techniques are described in our responses to the questions above.</p> <p>The Principal Risks faced by the Company are described in pages 52 to 55 of the Annual Reports and Accounts to March 2020 which can be found on the Company's website.</p>
1a/ 1f	Investment restrictions	The Company is subject to all of the investment restrictions to which it is required to adhere to in order to maintain its listing on AIM, a market operated by the London Stock Exchange, and the Irish Stock Exchange's Euronext Growth market (trading as Euronext Dublin).
1a/ 1g	When can the AIF use leverage	The Company may, in general, use leverage if it believes it will enhance Shareholder returns over the longer term.
1a/ 1h	The types and sources of leverage permitted and the associated risks	<p>While the Company is not specifically restricted with respect to the forms of leverage it is able to deploy, it is generally envisaged that such leverage will take the form of bank loans.</p> <p>The Company has a revolving £60 million credit facility with Silicon Valley Bank and Investec which provides financial flexibility to fund the future growth plans of the Company's portfolio companies. Draw downs and pay downs are driven by portfolio investments and realisations.</p> <p>The level of the Company's borrowing may serve to magnify any gains or losses made by the Company. As at 31 March 2020, the Company had drawn down £45 million (net of repayments).</p>

1a/ 1i	Any restrictions on the use of leverage and any collateral and asset reuse arrangements	The Company is not specifically restricted in this regard, though it should be noted that this is not relevant in the context of the Company's investment portfolio and strategy.
1a/ 1j	The maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Where gearing is used, the Company seeks to maintain a conservative level of gearing and limits such borrowings to a maximum of 25% of the Company's Net Asset Value ("NAV") at the time of investment.
1b/ 2	A description of the procedures by which the AIF may change its investment strategy or investment policy, or both	<p>This is addressed in the Schedule of Matters Reserved for the Board which sets down those powers reserved for the full Board and which are not delegated. A copy of the Company's Schedule of Matters Reserved for the Board can be found on the website under the heading 'Corporate Governance' in the AIM and Euronext Growth Rule 26 section of the website found here.</p> <p>Changes to the Company's strategic aims, objectives and investment strategy require Board Approval. It is generally envisaged that the Board, with the advice of its corporate advisors will seek the approval of shareholders with respect to changes to the above, which it considers to be material.</p>
1c/ 3	A description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	<p>Esprit Capital Partners LLP whose registered office is 20 Garrick Street, London WC2E 9BT (Reg. No.: OC318087) is the AIFM of the Company. The AIFM is authorised and regulated by the Financial Conduct Authority (FRN: 451191).</p> <p>The AIFM is a wholly-owned subsidiary undertaking of the Company. The AIFM, is responsible for the discretionary portfolio management of the Company and exercising the risk management function in respect of the Company. In addition, the AIFM performs certain administration, fund accounting and valuation services for the Company.</p> <p>The AIFM receives an annual management fee of 2% per annum of the aggregate of the drawn down and outstanding loans provided directly or indirectly by the Company to other members of the Company's Group which have been used to make investments in accordance with the Company's investing entitlements from third party funds it manages.</p>
1d/ 4	The identity of the AIFM, the AIF's depositary, the auditor and any other service providers and a description of their duties and the investors' rights	<p><u>AIFM</u></p> <p>Please see response to 1c/3 above.</p> <p><u>Depositary</u></p> <p>Aztec Financial Services (UK) Limited whose registered office is Forum 3, Solent Business Park, Parkway South, Whiteley, Fareham, PO15 7FH and whose principle place of business is at Forum 4, Solent Business Park, Fareham, PO15 7AD is the depositary to the Company.</p> <p>The depositary's duties include, amongst others, the following:</p> <ul style="list-style-type: none"> • ensuring that the Company's cash flows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received; • safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (ii) for other assets, verifying the ownership of such assets and maintaining records accordingly; • ensuring that the sale, issue, re-purchase, redemption and cancellation of shares in the Company are carried out in accordance with applicable law and the Company's articles of association; • ensuring that the value of the shares in the Company is calculated in accordance with applicable law and the articles of association; • carrying out the instructions of the AIFM, unless they conflict with applicable law or the articles of association; • ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and • ensuring that the Company's income is applied in accordance with applicable law and the articles of association. <p>The depositary receives an annual fee of £28,500. In addition to this fee, the Depositary is entitled to recharge expenses incurred in the performance of its duties.</p>

Reporting Accountants & Auditors

PricewaterhouseCoopers LLP whose registered office is 1 Embankment Place, London WC2N 6RH and whose principle place of business is at 7 More London Riverside, London SE1 2RT is the Company's auditor.

The auditors' responsibility is to audit and express an opinion on the financial statements of each Company in accordance with applicable law and auditing standards.

The auditors' remuneration is determined by the Directors of the Company and can be found in the latest annual report on the Company's [website](#).

Company Secretary

Prism Cossec Limited whose registered office is Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey, United Kingdom, KT13 0TS is the secretary to the Company.

The Company Secretary's duties include the arrangement of, co-ordination and preparation of Board and committee meetings and papers; ensuring that packs provided for Board meetings shall include required documents; and attendance and minuting of Board meetings.

Prism Cossec is entitled to a fee based on an hourly rate for time spent providing its services (plus VAT).

Registrar

Equiniti Limited whose registered office is Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA is the Company's registrar.

The principal duty of the registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to corporate actions (including tender offers and the exercise of subscription shares), dividend administration and shareholder documentation.

Equiniti is entitled to receive a fee for share registration services based on the number of shareholders, subject to a minimum fee of £2,430 (plus VAT).

The fee is subject to increase in line with Average Weekly Earnings rate. Equiniti is also entitled to activity fees pursuant to its registrar agreement with the Company.

Investor's/ Shareholder's Rights

The Company is reliant on the performance of the AIFM and third-party service providers including the registrar, the company secretary and the Depositary.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third-party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort or contract, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the Manager to the Financial Ombudsman Service ("FOS") (further details of which are available at www.financial-ombudsman.org.uk).

Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against an FCA authorised service provider (including the Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the

		FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.
1e/ 5	A description of how the AIFM complies with the requirements (professional negligence) relating to professional liability risk	The AIFM, Esprit Capital Partners LLP, calculates and seeks to maintains an amount of own funds in line with article 14 of the AIFMD level 2 regulation (additional own funds) and IPRU-INV 11.3.12EU of the FCA handbook. Therefore, liability risks arising from professional negligence are covered by providing for additional own funds at least equal to 0.01 % of the value of the portfolio of the Company managed by the AIFM.
1f/ 6a	A description of any AIFM management function delegated by the AIFM	The AIFM does not delegate any of its investment management functions. However, some Administrative functions have been delegated to the Depository as described above in the response to 1d/ 4 above.
1f/ 6b	A description of any safe-keeping function delegated by the depository	Not Applicable.
1f/ 6c	A description of the identity of each delegate appointed in accordance with FUND 3.10 (Delegation)	Details of the Company's depository, Aztec Financial Services (UK) Limited, are set out in the response to 1d/ 4 above.
1f/ 6d	A description of any conflicts of interest that may arise from such delegations	<p>The Depository, their adviser, or agent may from time to time be otherwise involved in, other funds established by parties which have similar investment objectives to those of the Company. It is, therefore, possible that in the course of business, potential conflicts of interest with the Company and its investors may arise. However, the Depository will have regard in such events to its obligations to the Company and will ensure that such conflicts are resolved fairly and the Directors will at all time have regard to their duties to the Company.</p> <p>The Company's approach to managing Conflicts of Interest can be found on page 63 in its' latest Annual Reports and Accounts, a copy of which is accessible on the Company's website.</p>
1g/ 7	A description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation)	<p>The Audit, Risk & Valuations Committee of the Company, a sub-committee of the Board, consisting of three non-executive directors, is responsible for the valuation of the Company's portfolio.</p> <p>The fair value of investments is established in accordance with IFRS, with reference to the International Private Equity and Venture Capital Valuation Guidelines as well as the IPEV Board, Special Valuation Guidance issued on 31 March 2020 in response to the COVID-19 crisis ("IPEV Guidelines").</p> <p>The valuation methodologies primarily used by the Company are the 'calibration to the recent transaction price', 'revenue multiple' and 'net asset value' approaches as detailed in appropriate notes to the latest financial statements.</p> <p>Whilst the underlying investments are held within funds or other investment entities such as Draper Esprit (Ireland) Limited, which are valued by the Company at Net Asset Value, the Company looks through these vehicles to value the underlying investments. Further details can be found in the latest annual reports and accounts on the Company's website.</p>
1h/ 8	A description of the AIF's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors	<p>The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The utilisation of the Company's loan facility (as set out above) and requirement for utilisation requests is monitored as part of this process.</p> <p>Liquidity risk, is therefore, the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations of the Company, as they fall due.</p> <p>The Company is a closed-ended investment company, with a fixed pool of capital and may from time-to-time at the sole discretion of the Board and the reserves and liquidity of the Company, undertake share buys backs. However, it is generally expected that investors seeking an exit from their investment will do so by disposing of their shares in the secondary market, subject to the prevailing liquidity conditions.</p>
1i/ 9	A description of all fees, charges and expenses, and the maximum amounts directly or	<p>In addition, to the fees referenced in 1d/4, the Company may incur additional fees, as follows:</p> <p><u>Director's Fees</u></p>

	indirectly borne by investors	<p>The directors of the Company are entitled to receive, by way of fees for their services as directors, such sums as the Board or any committee authorised by the Board may, from time to time, determine. Such sum shall be divided amongst the directors in such proportions and in such manner as the Board, or any committee authorised by the Board, may determine.</p> <p><u>Other Ongoing Costs</u></p> <p>Other ongoing operational expenses that will be borne by the Company include travel, accommodation, printing, Directors & Officers' liability insurance, website maintenance, bank facility fees, legal fees, and professional fees.</p> <p>Out of pocket expenses of the registrar, the Depositary and the directors relating to the Company will also be borne by the Company. These expenses will be deducted from the assets of the Company and, although they may vary, are estimated to be in the region of £5k per annum, excluding any non-recurring or extraordinary expenses.</p> <p>Given that many of the above fees, charges and expenses are either irregular or calculated using formulae that contain variable components, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p> <p>The fees and expenses for the Company in the last financial year (including the ongoing expenses of the Company) can be found in the Company's annual report on the website.</p> <p><u>Other Costs which may be incurred by Investors</u></p> <p>Investors may also incur their own costs in transacting in and holding the shares of the Company. Such costs will vary from one investor to another.</p> <p>Please also refer to the Company's Key Information Document which can be found on the Company's website for additional guidance as it details the impact of costs and charges on investor's returns.</p>
1j/ 10	A description of how the AIFM ensures a fair treatment of investors	<p>As the Shares are admitted to trading on AIM, a market operated by the London Stock Exchange plc, and the Enterprise Securities Market, a market operated by Euronext Dublin, the Company treats all Shareholders of a given class equally.</p> <p>The Manager has procedures, arrangements and policies in place to ensure compliance with the principles more particularly described in the AIFMD relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:</p> <ul style="list-style-type: none"> • acting in the best interests of the Company and of the Shareholders; • ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile; • ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders; • ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company; • preventing undue costs being charged to the Company and Shareholders; • taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and • recognising and dealing with complaints fairly.
1j/ 11a	Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment	Not applicable, please see response to 1j/ 10 above.
1j/ 11b	Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of the type of investor	Not applicable, please see response to 1j/ 10 above.

	who obtains such preferential treatment	
1j/ 11c	Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of, where relevant the economic links with the AIF or AIFM of investors receiving special treatment	Not applicable, please see response to 1j/ 10 above.
1k/ 14	The latest annual report, in line with FUND 3.3 (Annual report of an AIF)	The latest Annual Report and accounts will be made available at Companies House and the Company's website .
1l/ 12	The procedure and conditions for the issue and sale of units or shares	Shares are issued in registered form. Shares are eligible for settlement through CREST. Shares allocated will be transferred to places through the CREST system unless otherwise stated. Member firms will be requested to give their CREST settlement details to the Company. The Company has arranged for Euroclear to be instructed to credit the appropriate Euroclear accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees that invest through their Euroclear accounts will be entered directly on to the share register of the Company.
1m/ 13	The latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in line with FUND 3.9 (Valuation)	The latest published net asset value ("NAV") of the Company can be found in the Regulatory News section of the Company's website: Regulatory News . Please also refer to the Company's latest annual report on the website , which contains historical performance information on the Company.
1n/ 15	Where available, the historical performance of the AIF	Please refer to the Company's latest annual report which can be found on the Company's website , which contains historical performance information on the Company.
1o/ 16a	The identity of the prime brokerage firm	The Company does not have a Prime Broker.
1o/ 16b	A description of any material arrangements of the AIF with its prime brokerage firm and the way any conflicts of interest are managed	Not Applicable- please see response to 1o/16a above.
1o/ 16c	The provision in the contract with the depository on the possibility of transfer and reuse of AIF assets	Not Applicable due to the nature of the Company's assets, i.e. principally unlisted securities.
1o/ 16d	Information about any transfer of liability to the prime brokerage firm that may exist; and	Not Applicable- please see response to 1o/16a above.
1p/ 17	A description of how and when the information required under FUND 3.2.5R and FUND 3.2.6R will be disclosed.	The Periodic Disclosures required under FUND 3.2.5 R and FUND 3.2.6 R are disclosed in the Annual Reports and Accounts of the Company. The latest Annual Report and accounts will be made available at Companies House and the Company's website .