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SPARK Advisory Partners Limited (“**SPARK**”), which is authorised and regulated in the UK by the FCA, is acting as sponsor for the Company and no-one else and will not be responsible to any other person for providing the protections afforded to customers of SPARK or for providing advice (subject to those responsibilities and liabilities arising under FSMA and the regulatory regime established thereunder).

DRAPER ESPRIT VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03424984)

Circular to Shareholders and Notice of General Meeting in connection with arrangements with the Company's investment manager

You will find, set out at the end of this document, notice of a general meeting of the Company to be held on 17 March 2021 at 11.00 a.m. (“**General Meeting**”). Shareholders’ authority to effect the Proposals contained herein shall be sought at the General Meeting.

Due to the ongoing circumstances and restrictions imposed due to the coronavirus pandemic, it will not be possible for Shareholders to attend the General Meeting in person. Shareholders are instead encouraged to vote by proxy and to send any questions they have in respect of the business of meeting to devct@downing.co.uk. A Form of Proxy for use at the General Meeting is enclosed with this document. To be valid, the Form of Proxy must be completed and returned either by post or by hand or by email to devct@downing.co.uk so as to be received by Downing LLP, St Magnus House, 3 Lower Thames Street, London EC3R 6HD, not later than 48 hours before the time of the General Meeting.

Proxy forms must be received by 11.00 a.m. on 15 March 2021.

Your attention is drawn to the letter from the chairman of the Company set out in Part II of this document which contains a recommendation to vote in favour of the Resolutions to be proposed at the General Meeting.

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Part I: Definitions

Administration Agreement	an agreement dated 30 January 1998 originally between the Company and Downing Management Services Limited and novated by a deed of novation dated 25 August 2011 such that since 1 June 2011 the parties thereto are the Company and Downing LLP, and as amended by a deed of variation dated 3 October 2019
Administration Manager	Downing LLP, the Company's administrator appointed in accordance with the Administration Agreement
AIM	a sub market of the London Stock Exchange established in 1995 to provide a market for small, growing companies with greater regulatory flexibility than applies to the main market
Annual Running Costs	annual running costs incurred by the Company in the ordinary course of its business (including irrecoverable VAT but excluding any amount payable in respect of the Performance Incentive)
Application Form(s)	Form(s) of application for New Ordinary Shares pursuant to the Offer
Articles	articles of association of the Company as at the date of this document
Board or Directors	board of directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks in London are open for normal banking business in sterling
CA 2006	Companies Act 2006 (as amended)
Circular	this document
Company	Draper Esprit VCT plc (registered number 03424984)
CREST	relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of Shares in uncertificated form which is administered by Euroclear UK & Ireland Limited (registered number 02878738)
Draper Esprit	Draper Esprit plc and/or Esprit Capital Partners LLP and their associates, and co-investors of the Draper Venture Network as the context dictates
DTR	the Disclosure Guidance and Transparency Rules, made by the FCA under Part VI of FSMA and relating to the disclosure of information in respect of financial instruments
Existing Investment Management Agreement	the investment management agreement dated 30 January 1998 between, inter alios, (1) the Company and (2) Elderstreet which is proposed, subject to Shareholders' approval at the General Meeting, to be replaced with the New Investment Management Agreement as described in this Circular
Existing Shares	the Ordinary Shares in issue at the date of this Circular
General Meeting	the general meeting of the Company to be held on 17 March 2021 at 11.00 a.m. (or any adjournment thereof)
FSMA	Financial Services and Markets Act 2000, as amended from time to time
Intermediary	financial intermediary or adviser, authorised under FSMA, who signs the Application Form and whose details are set out on the Application Form

Investor	individual who subscribes for New Ordinary Shares pursuant to the Offer
IRR	internal rate of return
Listed	admitted to the premium segment of the Official List and to trading on the London Stock Exchange
Listing Rules	listing rules of the FCA
London Stock Exchange or LSE	London Stock Exchange plc
Manager (or Elderstreet)	Elderstreet Investments Limited, the manager of the Company
Net Assets	gross assets less all liabilities (excluding contingent liabilities) of the Company calculated in accordance with the Company's normal accounting policies in force at the date of circulation
Net Asset Value or NAV	net asset value per Share
New Investment Management Agreement	the investment management agreement proposed to be entered into between the Company and the Manager as more fully described on pages 6 – 8 of this Circular
New Ordinary Shares	those Ordinary Shares being made available for subscription pursuant to the Offer
Offer	the proposed offer for subscription to raise in aggregate up to £5 million (with an over-allotment facility of up to £15 million) by issues of New Ordinary Shares by the Company pursuant to the Prospectus
Official List	official list of the FCA maintained in accordance with section 74(1) FSMA
Ordinary Shareholders or Shareholders	holders of Ordinary Shares
Ordinary Shares or Shares	ordinary shares of 5p each in the capital of the Company (ISIN: GB002867140)
Promoter	the Manager, in its capacity as promoter of the Offer
Promoter's Agreement	the conditional agreement dated on or around the date of this Circular between the Company (1), the Directors (2) and the Manager (3), a summary of which is set out on page 12 of this Circular
Prospectus	the prospectus issued by the Company on or around the date of this Circular which describes the Offer (and any supplements thereto)
SPARK	SPARK Advisory Partners Limited
VCT Rules	legislation, rules and HM Revenue and Customs interpretation and practice regulating the establishment and operation of venture capital trusts
Venture Capital Trust or VCT	venture capital trust as defined in section 259 of the ITA

Part II: Letter from the Chairman of the Company

Draper Esprit VCT plc
(Registered No. 03424984)

Directors
David Brock (Chairman)
Hugh Aldous
Michael Jackson
Nicholas Lewis

Registered Office
St Magnus House,
3 Lower Thames Street
London EC3R 6HD

16 February 2021

Dear Shareholder

1. Introduction

I am delighted to announce that Draper Esprit plc (“**Draper Esprit**”) has now exercised its option to acquire the shares in Elderstreet Holdings Limited which it did not already own and accordingly the Company's Manager, Elderstreet Investments Limited, is now formally part of the Draper Esprit plc group.

This change of the management arrangements has been planned since the deal sharing association with Draper Esprit was signed in November 2016 and has transformed the outlook of this VCT.

As part of the acquisition, it is proposed that a New Investment Management Agreement be entered into. Details of the proposed new agreement can be found on pages 6 to 8. The Company also intends to launch a further offer for subscription (“**Offer**”) and to appoint the Manager as its promoter. As these arrangements constitute related party transactions under the Listing Rules, shareholders’ approval of the relevant contracts will be sought at a general meeting to be held on 17 March 2021, convened in accordance with the Notice of General Meeting on page 13.

2. Draper Esprit update

Draper Esprit is a leading venture capital investor in the UK and European technology sector, floated on the AIM market in June 2016 and at the time of writing has a market capitalisation of over £1 billion. The Draper Esprit team has a wealth of experience. The team has now operated for 14 years and, prior to that, its members worked in leading firms in the venture capital industry.

Draper Esprit VCT plc is now an investor in new technology companies led by a highly regarded investment management team with a record of success in knowledge intensive technology companies. Under Draper Esprit over £42 million has been raised by the VCT and at the time of writing over £23 million has been invested into 22 new technology companies with further signed commitments of £1.1 million awaiting investment into 2 further new investments. The first exit from the Draper Esprit portfolio was made in February 2020 delivering a 2.2 times return on cost and an IRR of 63%.

In the past three years, Draper Esprit have scaled its platform to enable access to some of the best deal flow across Europe. Our VCT is one of the funds which, together with Draper Esprit PLC and the Draper Esprit EIS fund, make up this platform. These co-investment partners bring third party capital, enabling the VCT to obtain investment access into high technology companies that are rarely available to individual investors. Draper Esprit’s growing leadership in this field has enabled the high-tech entrepreneurs in the

portfolio to access the capital they need to grow their businesses, while simultaneously giving our VCT investors exposure to exciting early and growth-stage technology companies.

Draper Esprit raised a further £110 million in October 2020 and Martin Davis, the CEO of Draper Esprit, stated: “It is encouraging that in these difficult times the capital markets recognise the key role that technology can play as global economies recover from the pandemic. Our raise this week is a vote of confidence in the great companies that we back, the investment model that we have built, and the future itself. We can now accelerate our plans to help the best entrepreneurs in Europe invent that future.”

Launched in June 2016, Draper Esprit has generated a total shareholder return of 70.9% in the three years up to the October 2020 fundraising.

For the past five years running Draper Esprit’s EIS funds have continued to receive the highest rating from Martin Churchill of Tax Efficient Review, a well-respected VCT analyst, with a score of 89/100.

New Offer

As a consequence, I am delighted to offer you the chance to invest in the award winning Draper Esprit VCT. A prospectus setting out the Company's new offer for subscription has today been published and is available at <https://www.draperespritevct.com>.

Your Board believes that investing in knowledge intensive, high growth technology companies inside a VCT tax wrapper is an attractive investment offering. Further detail on the track record of the Company and Draper Esprit is contained in the Prospectus.

At the end of our financial year, the COVID-19 virus led to a global pandemic, the impact of which is clearly profound, both from the perspective of public health and the economic outlook. The necessary restrictions imposed by governments on businesses and employees in order to contain the spread of the virus significantly curtailed the operations of many businesses across the wider economy, however our technology portfolio remains overall very well positioned, in particular given the expected acceleration in the transition to digital.

The Board believes that the VCT, with its Manager now as part of the Draper Esprit group and in continuance of the deal sharing arrangements of the past few years, provides an excellent opportunity for Shareholders to participate in leading edge investments alongside the widely experienced network of Draper Esprit associated funds and partners into bigger, as well as better, technology companies.

3. Proposed entry into a new Investment Management Agreement

In recognition of the change of ownership of the Manager, now becoming a formal part of the Draper Esprit group, it is proposed that the Existing Investment Management Agreement be terminated and, subject to Shareholders’ approval, a New Investment Management Agreement be entered into.

A comparison of the key terms of the Existing Investment Management Agreement against the proposed New Investment Management Agreement are set out in the table below:

	<i>Existing Investment Management Agreement</i>	<i>New Investment Management Agreement</i>
<i>Investment Management Fee</i>	2.0% annually of Net Assets. This equated to a total payment in the year ended 31 March 2020 of £848,000.	Unchanged at 2.0% annually of Net Assets.

<p><i>Annual Running Costs Cap</i></p>	<p>3.5% of Net Assets with any excess being refunded by way of a reduction in fees payable to the Manager and the Administration Manager.</p>	<p>Unchanged at 3.5% of Net Assets with any excess being refunded by way of a reduction in fees payable to the Manager, subject to the Manager's oversight in case of the incurrence of excessive costs.</p>
<p><i>Arrangement and Monitoring fees</i></p>	<p>The Manager is entitled to certain non-executive directors' fees, arrangement fees and expenses in respect of any investee company.</p>	<p>The Manager's entitlement to annual non-executive directors' fees and monitoring fees is capped at 1.0% of the amount invested into the relevant investee company.</p>
<p><i>Performance Incentive</i></p>	<p>Performance incentive fees are payable when dividend payments and/or distributions equivalent to not less than 3.5p per Share in any one financial year are made provided that the NAV, before the distribution, is higher than 70.6p per Share.</p> <p>Where such threshold is met, the Manager will receive 20% of the distribution amount over 3.5p per Share. The performance incentive fee will also have a catch-up (subject to the cap mentioned below) should any previous year's distribution not be met. This catch-up will be cumulative so that in any years where the distribution is less than 3.5p, the shortfall must be made up prior to awarding any further incentive fees.</p> <p>Any performance incentive fee payable in any period of 12 months is capped so that in any 12 month period, the fee payable under the incentive arrangements (together with any other fees payable to the Manager by the Company which have not been approved by Shareholders) is capped at 24.9% of the lesser of the Company's current Net Assets, market capitalisation or gross assets. Any such fees which result in this cap being exceeded will be waived, will not be carried over to another period and will cease to be payable to the Manager.</p> <p>These fees are calculated in respect of each year end following approval of the audited accounts by Shareholders.</p>	<p>No performance fee is payable unless a realised gain is made on the disposal of an investment where both the hurdles below are met:</p> <ul style="list-style-type: none"> (a) an IRR hurdle requiring the achievement of at least 7% p.a. in respect of investments made within a five-year pool, the first such period starting on 1 April 2021; and (b) a NAV per share hurdle requiring the NAV per share at the end of the year in which the gain is made (adjusted for dividends paid) to be higher than the NAV per share at the commencement of the five-year pool period in which the investment was made. <p>Where a realised gain is made and both hurdles are met, a performance fee equal to 20% of the realised gain is payable to the Manager.</p> <p>To the extent a performance fee is not paid due to failure to meet either hurdle, it may be paid at a later date if the hurdles are then achieved.</p>

Other changes made to the management arrangements, reflected in the New Investment Management Agreement, include:

- the requirement for specific Board approval of investments made of over £1 million;
- the requirement for the Manager to maintain insurance to cover its activities (on groupwide basis with other Draper Esprit entities); and
- consequential amendments required following Brexit.

The draft New Investment Management Agreement will be made available to Shareholders on request.

Performance Incentive

In considering the new management arrangement, the Board has agreed that it is in the best interest of Shareholders to put in place a performance incentive scheme which rewards the Manager for good performance. Not only does this help to align the interest of Shareholders and the Manager, but also supports the Manager in recruiting and retaining top quality investment personnel.

A previous performance incentive scheme was introduced in 2010. The Directors are of the opinion that this scheme is no longer an effective incentive as the hurdle is no longer realistically achievable, particularly after the fall in valuations that the Company experienced at the start of the coronavirus pandemic. For this reason, the Board has prepared new proposals which it believes provide an effective incentive.

The proposed new Performance Incentive Scheme, which is part of the New Investment Management Agreement, is summarised as follows:

No performance fee is payable unless a realised gain is made on the disposal of an investment where both the hurdles below are met:

- (a) an IRR hurdle requiring the achievement of at least 7% p.a. in respect of investments made within a five-year pool, the first such period starting on 1 April 2021; and
- (b) a NAV per share hurdle requiring the NAV per share at the end of the year in which the gain is made (adjusted for dividends paid) to be higher than the NAV per share at the commencement of the five-year pool period in which the investment was made.

Where a realised gain is made and both hurdles are met, a performance fee equal to 20% of the realised gain is payable.

To the extent a performance fee is not paid due to failure to meet either hurdle, it may be paid at a later date if the hurdles are then achieved.

The Board consider the arrangements under the New Investment Management Agreement to be typical of the venture capital industry, having reviewed a number of alternative structures in place in the VCT market and believes it will achieve the intended goal of incentivising the Manager whilst representing value for money for the Company through the requirement to meet a challenging annual hurdle and also maintain overall growth on a NAV per share basis.

Governance

The Board remains independent of the Manager and Draper Esprit and, while the Manager or Draper Esprit may recommend investments, the Board provides added oversight in that it has the right to challenge investment opportunities. In particular, the Board will agree parameters from time to time for the size and other features of investments which will require the specific approval of the Board.

Effective Date

Subject to Shareholders' approval, these new arrangements will come into effect from 1 April 2021.

Related Parties

The Manager is regarded as a related party of the Company under the Listing Rules. Therefore, the entry into the New Investment Management Agreement constitutes a related party transaction for the purpose of the Listing Rules and requires Shareholders' approval.

Neither the Manager nor Draper Esprit, as related parties of the Company under the Listing Rules, is permitted to vote and as such will not vote (to the extent they hold shares in the Company) on Resolution 1 to be proposed which approves the above arrangements, to be proposed at the General Meeting, and each will take all reasonable steps to ensure that its associates (including any of its members, partners or employees) will also not vote on Resolution 1 to be proposed at the General Meeting.

4. Promoter's Agreement

In respect of the proposed Offer, it is proposed that the Manager will be appointed by the Company as promoter pursuant to an agreement ("**Promoter's Agreement**") as has been the case under previous offers made by the Company.

Under the proposed Promoter's Agreement, the Company will pay to the Manager a promoter's fee of 3.0% of the NAV per New Ordinary Share for each New Ordinary Share subscribed under the Offer.

The Company shall also be responsible for paying up to 2.5% in initial commission and 0.25% per annum in trail commission (for a maximum of five years) of the Net Asset Value of the New Ordinary Shares to those intermediaries entitled to receive it. The Promoter's Agreement contains standard provisions indemnifying the Manager against any liability not due to its default, gross negligence, fraud or breach of FSMA.

As above, the Manager is regarded as a related party of the Company under the Listing Rules. Therefore, the entry into the Promoter's Agreement constitutes a related party transaction for the purpose of the Listing Rules and requires Shareholders' approval. Neither the Manager or Draper Esprit, as related parties of the Company under the Listing Rules, is permitted to vote (to the extent they hold shares in the Company) on Resolution 2 to be proposed which approves the above arrangements, to be proposed at the General Meeting, and each will take all reasonable steps to ensure that its associates (including any of its members, partners or employees) will also not vote on Resolution 2 to be proposed at the General Meeting.

5. General Meeting

In order to enter into the New Investment Management Agreement and Promoter's Agreement, the Company requires the authority of Shareholders.

The Company is also taking the opportunity to:

- (1) seek Shareholders' authority to cancel the share premium account created by the issue of New Ordinary Shares pursuant to the Offer which will, subject to certain restrictions contained in the VCT Rules, create a distributable reserve from which the Company can pay future dividends and finance share buybacks; and
- (2) Amend the Company's articles of association to (i) permit the holding of general meetings, either partly or entirely, via videoconferencing software in response to the COVID-19 pandemic and (ii) to remove historical references to a class of Sustainable Technology Shares of which there are none in issue.

Accordingly, a notice convening a General Meeting is set out at the end of this document. The General Meeting will be held by videoconference on 17 March 2021 at 11.00 a.m. The resolutions to be proposed at the General Meeting are set out on page 14.

In view of the ongoing restrictions in connection with the coronavirus pandemic, the Board has decided to hold the General Meeting as a closed meeting. For the safety of Shareholders, Directors and management executives, no Shareholders, other than the Directors, will not be permitted to attend the meeting. Voting on the resolutions will be based on proxy votes received before the deadline of 48 hours before the General Meeting.

Shareholders are requested to vote on the resolutions by submitting their Form of Proxy. Shareholders are also encouraged to submit questions by email to devct@downing.co.uk. The Board will seek to respond to points raised either prior to the meeting or in the announcement of the General Meeting results.

6. Resolutions and action to be taken

Before taking any action, you are recommended to read the further information set out in this document. Shareholders will find a Form of Proxy for the Company enclosed with this document for use at the General Meeting.

Shareholders are asked to complete and return it, by post or hand, to Downing LLP, St Magnus House, 3 Lower Thames Street, London EC3R 6HD or a scan by email to devct@downing.co.uk, in each case to arrive not later than 48 hours before the time of the meeting.

7. Recommendations

The Board, having been so advised by SPARK, considers entry into the New Investment Management Agreement and Promoter's Agreement consider to be fair and reasonable so far as the Company's Shareholders are concerned.

The Board is of the opinion that the proposals described in this Circular which are to be proposed at the General Meeting are in the best interests of the Shareholders as a whole and recommends that you vote in favour of all the Resolutions as they intend to do in respect of their own holdings of 1,094,869 Ordinary Shares representing 0.98% of the voting rights in the Company.

I hope we have your support for the resolutions to be proposed and look forward formally bringing your Company under the management of the Draper Esprit group.

Yours faithfully

David Brock
Chairman

Part III: Additional Information

1. Responsibility

The Company and the Directors accept responsibility for the information in this document. To the best of the knowledge and belief of the Company, the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Major Shareholders

As at 15 February 2021 (this being the latest practicable date prior to publication of this Circular), the Company is not aware of any person who has, or immediately following the issue of New Ordinary Shares pursuant to the Offer will have, an interest in the Company's capital and voting rights which is notifiable under UK law (under which, pursuant to CA 2006 and the Listing Rules and the DTR, a holding of 3% or more of the voting rights of each class of Share must be notified to the Company). No shares are held in treasury.

3. No Significant Change

There has been no significant change in the financial performance or financial position of the Company since the end of the last financial period for which financial information has been published (being the unaudited financial information to 30 September 2020) prior to the date of this Circular.

4. Pro forma financial information

There is no pro forma financial information contained in this document.

5. Interests of the Directors in the Company

The Directors' shareholdings in the Company are as set out in the table below.

Director	Number of Shares	Percentage of issued share capital
David Brock	174,333	0.16%
Hugh Aldous	49,827	0.04%
Michael Jackson	801,790	0.72%
Nick Lewis	48,498	0.04%

Each of the Directors has signed an agreement for services with the Company which specifies a notice period of three months and all Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be directors. Aggregate Directors' emoluments for the year ended 31 March 2020 amounted to £128,500 (plus applicable VAT and employer's National Insurance Contributions). Each of the current Directors is currently entitled to receive annual fees as listed below.

Name	Annual Remuneration (£)
David Brock	30,000
Hugh Aldous	26,500
Michael Jackson	24,000
Nicholas Lewis	24,000
	<hr/> 104,500 <hr/>

No other emoluments, pension contributions or life assurance contributions were paid by the Company to, or on behalf of, any Director. The Company does not have any share options in place.

6. Material contracts

Existing contracts

- 6.1 Under the Existing Investment Management Agreement, the Manager provides investment advisory services to the Company in respect of its portfolio of Qualifying Investments. The key terms of the Existing Investment Management Agreement (together with a summary of the key terms of the New Investment Management Agreement proposed to be entered into subject to Shareholders' approval at the General Meeting) are summarised in the table on pages 6 and 7.
- 6.2 Under the Administration Agreement, Downing LLP will provide or procure the provision of certain administration services to the Company for fee of £65,000 plus 0.1% of new funds raised per annum (excluding VAT), subject to an annual cap of £100,000.
- 6.3 A promoter agreement dated 3 October 2019 between the Company (1), the Directors (2) the Promoter (3) and SPARK (4) whereby the Promoter has agreed to act as promoter in connection with the Offer. The agreement contains warranties given by the Company and the Directors to the Promoter. The Company will pay to the Promoter a fee of up to 3.5% of funds raised under the Offer, depending on the category of subscriber and subject to an overall cap, and is also responsible for paying initial and trail commission in respect of the Offer where applicable.

Contracts subject to Shareholders' approval at the General Meeting

- 6.4 It is proposed, subject to Shareholders' approval to enter into the New Investment Management Agreement with the Manager. The key terms of the New Investment Management Agreement (together with a summary of the key terms of the Existing Investment Agreement for comparison) are set out on pages 6 – 8.
- 6.5 A conditional promoter agreement dated on or around to date of this Circular and between, inter alia, the Company and the Manager whereby the Manager will act as promoter in connection with the Offer is also subject to Shareholders' approval at the General Meeting. The agreement contains warranties given by the Company and the Directors to the Manager. Pursuant to the agreement, the Company will pay to the Manager a fee of up to 3.0% of funds raised under the Offer, depending on the category of subscriber and subject to an overall cap, and is also responsible for paying initial and trail commission in respect of the Offer where applicable.

7. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the close of the Offer at the offices of SPARK, at 5 St John's Lane, London EC1M 4BH and also at the registered office of the Company:

- 7.1 the audited report and accounts of the Company for the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020 and the unaudited half yearly report and accounts of the Company for the periods ended 30 September 2019 and 30 September 2020;
- 7.2 the agreements (or draft agreements) described at paragraph 6 above and the Company's articles of association in their current form and in their proposed amended form;
- 7.3 the Prospectus issued by the Company dated 16 February 2021; and
- 7.4 this Circular.

Part IV: Notice of General Meeting

DRAPER ESPRIT VCT PLC

(Registered in England and Wales with registered number 03424984)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Draper Esprit VCT plc (the “**Company**”) will be held at 11.00 a.m. on 17 March 2021.

With significant restrictions in place in connection with the coronavirus pandemic, the General Meeting will be run as a closed meeting and Shareholders (other than the directors) will not be able to attend in person. Shareholders are encouraged to vote by proxy (details given in the notes), for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolutions 3 and 4 as special resolutions.

All capitalised terms used in this notice of meeting shall bear the meanings given to them in the circular to shareholders dated 16 February 2021 (the “**Circular**”).

Resolution 1: Entry into the New Investment Management Agreement with Elderstreet Investment Limited (Ordinary Resolution)

1. **THAT** the entry by the Company into the New Investment Management Agreement with Elderstreet Investments Limited, the Company's Manager, as described in the Circular, be and is hereby approved.

Resolution 2: Approval of the Promoter's Agreement (Ordinary Resolution)

2. **THAT** the entry by the Company into the Promoter's Agreement with Elderstreet Investments Limited, the Company's Manager, as described in the Circular, be and is hereby approved.

Resolution 3: Cancellation of Share Premium Account and Capital Redemption Reserve (Special Resolution)

3. **THAT** the Company's share premium account and capital redemption reserve each be cancelled.

The authority conferred by this resolution will expire on the fifth anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in general meeting.

Resolution 4: Amendment to the Company's articles of association (Special Resolution)

4. **THAT** the Company's articles of association be amended to (i) permit the holding of general meetings, either partly or entirely, via videoconferencing software in response to the COVID-19 pandemic and to remove historical references to a class of Sustainable Technology Shares of which there are none in issue.

By order of the Board

Grant Whitehouse
Company Secretary

Draper Esprit VCT plc

16 February 2021

Registered Office: St. Magnus House, 3 Lower Thames Street, London EC3R 6HD

Information regarding the General Meeting, including the information required by section 311A of the Act, is available from www.downing.co.uk/existing-investor/draper-esprit-vct

Notes to the Notice of General Meeting

- (a) Due to the ongoing circumstances and restrictions imposed due to the coronavirus pandemic, it will not be possible for Shareholders to attend the General Meeting in person. Shareholders are instead encouraged to vote by proxy and to send any questions they have in respect of the business of meeting to devct@downing.co.uk. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Downing LLP, St Magnus House, 3 Lower Thames Street, London EC3R 6HD or electronically to devct@downing.co.uk in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- (c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:
- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Downing LLP, 6th Floor, St. Magnus House, 3 Lower Thames Street, London EC3R 6HD. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - by sending an e-mail to devct@downing.co.uk

In either case, the revocation notice must be received by Downing LLP before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then the proxy appointment will remain valid.

- (d) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 11.00 a.m. on 15 March 2021 or, in the event that the General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to vote at the said General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 11.00 a.m. on 15 March 2021 or, in the event that the General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to vote at the General Meeting.
- (e) As at 9.00 a.m. on 15 February 2021, the Company's issued share capital comprised 110,738,558 Ordinary Shares and the total number of voting rights in the Company was 110,738,558. Information on the number of shares and voting rights will be available at www.downing.co.uk/existing-investor/draper-esprit-vct.
- (f) If you are a person who has been nominated under section 146 of the Act to enjoy information rights ("**Nominated Person**"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("**Relevant Member**") to be appointed or to have someone else appointed as a proxy for the General Meeting;
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;

- Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (g) 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 share.
- (h) 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, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (i) Except as provided above, members who have general queries about the General Meeting should write to the Chairman at the registered office set out above.
- (j) Members may not use any electronic address provided either in this notice of General Meeting, or any related documents (including the Chairman's letter and Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.