

[TITLE] Cardano x Draper Dragon: Orion Fund

Author: Arouet Holdings

[ABSTRACT]

The Draper Dragon Orion Fund, L.P. ("Orion Fund"), managed by Draper Dragon Orion GP, LLC ("General Partner" or "GP"), is proposed as a multi-year, tranche-based ecosystem investment fund designed to support Cardano-native and Cardano-integrated companies, grow on-chain usage, and return capital to the Cardano Treasury ("Treasury") over time. Importantly, the Orion Fund is structured so that Treasury exposure is incremental, capped, and fully governed.

This proposal ("Proposal") asks the Cardano community ("Community") to vote only on the first Treasury withdrawal tranche of **ADA 50M**, which is approximately **\$15M USD** ("Tranche One"), calculated using an assumed ADA price of \$0.30, to launch the Orion Fund. Net proceeds from the direct investments made with a majority of the Treasury withdrawal contribution to the Orion Fund will be returned to the Treasury in accordance with the repayment schedule detailed in this Proposal.

[JUSTIFICATION]

1. The Proposal: Summary

1.1 What Is Being Voted On Now: Tranche One (\$15M USD / 50M ADA)

This Proposal asks the Community to vote on Tranche One, calculated using an assumed ADA price of \$0.30, to launch the Orion Fund. The long-term plan for the Orion Fund is to target a total fund size of at least \$80M, of which \$75M will, if approved by DReps in subsequent withdrawals, come from the Treasury. **This vote does not approve the full \$75M of proposed Treasury withdrawals.** Each future Treasury withdrawal will be requested via separate governance actions and Community approval in later years. This Proposal is part of a multi-year strategy to return value to the Cardano ecosystem over a 6-8 year term.

Tranche One is deliberately sized as the minimum capital required to commence operations, deploy into Cardano-native and Cardano-Integrated opportunities, and establish public reporting and transparency frameworks, with the objective of delivering observable ecosystem impact from the outset. The Community will be able to assess deployment discipline, disclosed metrics, and overall progress before any future Treasury withdrawals are approved. The inclusion of two

potential future tranches in this Proposal is for transparency, long-term visibility only, and are not approved by this vote.

1.2 Intended Use of Capital for Tranche One

Ecosystem Support & Investments: Capital allocated towards the categories below are intended to directly engage with and support the Cardano ecosystem (collectively, "Ecosystem Support & Investments").

Category	Description	Allocation
Direct Investments	Equity and/or token investments into Cardano-native and Cardano-integrated startups that drive measurable ecosystem KPIs and long-term Treasury value.	~\$10.75M
Growth Capital	In-house venture studio, exchange listings, integrations, post-investment portfolio support, governance, and Community tooling.	~\$1.9M
Startup Acceleration & Talent Pipeline	Equity-based accelerator programs, founder residency, and new generation of developers pipeline.	~\$1M

These funds are deployed into Cardano companies, builders, and ecosystem infrastructure to strengthen the Cardano pipeline, accelerate adoption, support builders, and scale Cardano-native and Cardano-integrated companies. **They are not intended to be Orion Fund overhead or paid to the GP as compensation for managing the Orion Fund, but to fund programs to support the Cardano ecosystem.**

Direct Fund Operational Expenses: Capital allocated towards the categories below are required to operate a professional, regulated venture fund and a special purpose vehicle, Arouet Holdings ("Arouet Holdings"), as the limited partner ("LP"), including compliance, audit, and legal (collectively, "Direct Fund Operational Expenses").

Category	Description	Allocation
Management Fee	Fund operations (discounted from average market rate for similar setups from 2% to ~1.3%).	\$1M
Customary Fund Expenses	Audit, legal, tax, and compliance.	\$0.3M
Arouet Holdings Administration Expenses	Ownerless legal entity based in the Cayman Islands facing the Orion Fund as LP with the specific objective of increasing the Treasury. Arouet Holdings will have a Community-appointed director as set out in Section 9 below.	\$0.05M

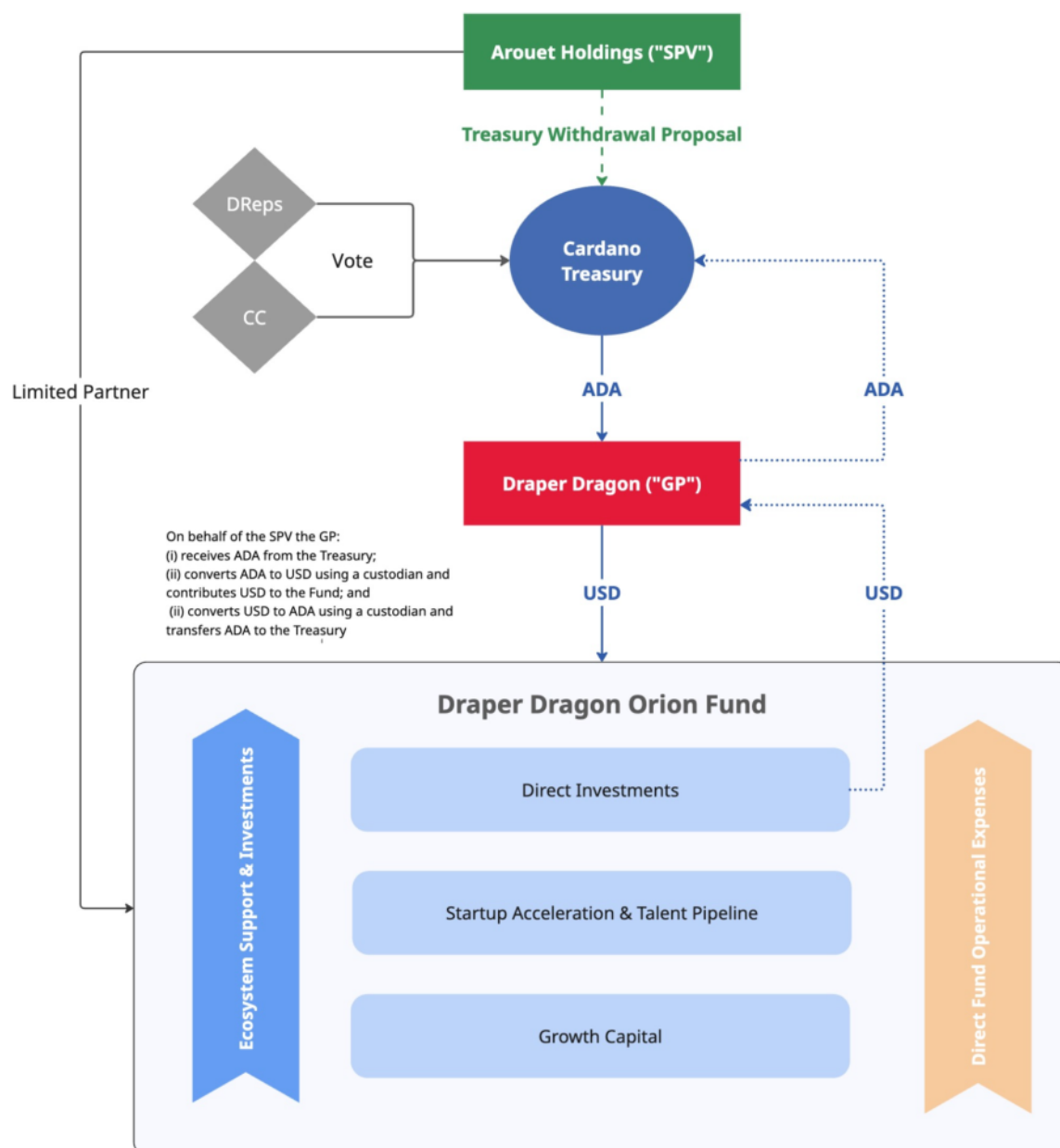
Allocations shown are targets, assuming successful approval of future Treasury withdrawal governance actions; final deployed amounts may vary due to ADA price movements, future governance outcomes, or other contingencies described in this Proposal, while remaining within approved caps and described constraints.

Any excess unused capital from Direct Fund Operational Expenses, Growth Capital, Startup Acceleration & Talent Pipeline will be rolled into Direct Investments.

Importantly, under the agreement with Arouet Holdings and the Orion Fund, the Treasury is first fully repaid all capital allocated towards Ecosystem Support & Investments before any profit participation by the General Partner occurs. This is further detailed in the distribution waterfall in Section 4.4.

The remainder of this Proposal provides a comprehensive overview of the intended six-year Orion Fund framework, including the rationale, proposed structure, repayment mechanics, illustrative outcomes, management approach, expense framework, and legal disclosures.

1.3 Simplified Structure and Flowchart



*Allocations shown are targets, assuming successful approval of future Treasury withdrawal governance actions. Final deployed amounts may vary.
View the full proposal for information on fund operations, expenses and disclaimers.

1.4 Constitutionality Disclosures

In accordance with Section 7 of the Cardano Constitution, the following disclosures are made.

The terms of this withdrawal are included in Sections 1-12 of this Proposal:

- The purpose of the withdrawal: A withdrawal for investment into the Orion Fund as described.
- The period for delivery of proposed activities which the withdrawal shall be used for: This withdrawal is for Tranche One in the first year of the overall plan, commencing on the date that contributions from the withdrawal is received by the Orion Fund. The withdrawal will be invested and used for cost coverage as described above, with a long-term goal extending into future withdrawals and aiming to deliver value back to Cardano.
- The relevant costs and expenses of the proposed activities: As set forth above.
- Circumstances under which proceeds should be paid to Arouet Holdings (with the objective of increasing the Treasury): Per Section 4.4 below, the Orion Fund will repay all capital and profits due to Arouet Holdings according to the disclosed repayment structure. See Section 11.4 for information on the wind-down procedure, in which the GP will distribute the amount of any net proceeds (*i.e.*, after payments to any creditors and to satisfy any liabilities) generated from the liquidated assets of the Orion Fund to the LPs in accordance with a standard liquidating distributions schedule. As a result and to the extent that Arouet Holdings has not received all capital deployed for Ecosystem Support & Investments in the aggregate (as outlined in Section 4.4), Arouet Holdings will receive net proceeds to fully repay such capital, and then, if Arouet Holdings is the sole LP, 80% to Arouet Holdings (with the objective of increasing the Treasury).
- Circumstances under which the withdrawal might be refunded to Arouet Holdings (to be repaid to the Treasury): If for whatever reason, the Orion Fund does not commence operations after the withdrawal has been enacted.
- Whether the proposer has received funds from the Treasury within the past 2 years: Neither Arouet Holdings as proposer nor the Orion Fund has received funds from the Treasury within the past 2 years.

2. Multi-Year Strategy Overview

Cardano is positioned to lead the next phase of blockchain adoption, focused on real-world utility, sustainable revenue generation, and enterprise-grade infrastructure. To accelerate this growth, Draper Dragon and Draper University, in collaboration with the Cardano Foundation, propose the Orion Fund. The Orion Fund is structured as a multi-year, tranche-based Treasury program, rather than an upfront capital deployment, with a maximum potential Treasury commitment of up to \$75M over six years. Only the first tranche is contemplated in this Proposal, with any subsequent tranches subject to separate Treasury Withdrawal governance

actions and Community approval. In addition, the Orion Fund may seek at least \$5M in external capital from qualified external limited partners (“eLPs”) to complement execution, without increasing Treasury exposure.

The goals of the Orion Fund are straightforward and ambitious: Deliver a return multiple back to the Treasury; make Cardano self-sustaining while increasing the ecosystem's total value locked (“TVL”), on-chain activity, and developer participation; and transform the Treasury from a passive reserve into an active growth engine that compounds Cardano ecosystem value.

Draper Dragon will manage and administer the Orion Fund, as described in more detail below. Arouet Holdings’ purpose is to return value to the Treasury and further the Cardano ecosystem. The Cardano Foundation will play a supporting role throughout the life of the Orion Fund. The Cardano Foundation has orchestrated the setup of Arouet Holdings and will act as administrator for purposes of the Cardano constitution. The Cardano Foundation will also support both Draper Dragon and Draper University with ecosystem and technical know-how, as required.

Assuming the Orion Fund is successful, the Orion Fund will pay the invested capital and the applicable returns back to the Treasury. The detailed mechanics are set out below. The Cardano Foundation will not profit economically from this arrangement, as its mission lies in the development of Cardano and the adoption of the Cardano blockchain.

The Orion Fund intends to request a total withdrawal from the Treasury of \$75M over a period of 6 years or 438 epochs, broken down into three tranches, each contingent on separate governance approval. Tranche One will amount to a fixed \$15M. The target for the second and third tranches will be \$30M each. Withdrawals can be adjusted based on market conditions. In any event, the total amount of ADA to be withdrawn is capped at ADA 175M over a period of 6 years or 438 epochs (with two possible one-year extensions of the base 6 year term). An initial allocation targeted at \$5M is intended to be raised from qualified eLPs, providing early third-party validation of Cardano investment demand and complementing Treasury capital. Thus, the total Orion Fund target size is at least \$80M.

This Proposal contains a detailed rationale below, including information on the proposed fund structure, repayment model, example returns, fund management, fund expenses, fund manager profiles, and legal disclaimers.

3. Motivation

Cardano's technically sophisticated eUTXO architecture, leading staking mechanism, and on-chain governance system provide the foundation for institutional DeFi and Real-World Assets. Yet a dedicated, professional ecosystem fund is needed to exponentially accelerate developer talent, onboard enterprises, and establish the network as the global compliance-first standard.

The purpose of the Orion Fund is to generate measurable returns to the Treasury and to the eLPs while establishing Cardano as the leading institutionally adopted blockchain. Draper Dragon, Draper University, and the Cardano Foundation aim to achieve this purpose by increasing on-chain activity, growing the TVL, expanding developer participation, and improving other core ecosystem metrics.

4. Fund Structure

4.1 Executive Summary

The Orion Fund aims to withdraw three tranches of funding from the Treasury, for a total target capital of \$75M total over six years, subject to explicit caps and governance approvals.

The Tranche One amount will be a fixed \$15M, or ADA 50M based on an ADA price of \$0.30. The target for the second and third tranches will be \$30M each. Withdrawals can be adjusted depending on the market situation. In any event, the total withdrawals are capped at ADA 175M. The majority of returns will be used to repay the Treasury.

The Orion Fund aims to procure additional funding of at least \$5M from eLPs, and may pursue additional external participation if demand allows. This \$5M represents an initial external participation target, not a hard cap. Subject to market demand and strategic alignment, the Orion Fund may admit additional eLP commitments beyond this amount, provided that (i) such capital does not increase Treasury withdrawals, (ii) Treasury economics and governance protections are not diluted, and (iii) all participation occurs within the existing fund structure.

4.2 Orion Fund: Operational Structure

The operational and governance structure of the Orion Fund is as follows:

1. **Draper Dragon Ecosystem Fund GP, LLC:** Manager of the Orion Fund.
2. **Arouet Holdings:** Created to act as an LP facing the Orion Fund. Arouet Holdings will act with the specific objective of increasing the Treasury. Arouet Holdings is a foundation company limited by guarantee without any share capital. Its corporate purpose as stated in its founding documents is to further the Cardano ecosystem and return value to the Treasury. Arouet Holdings is supervised by an independent statutory supervisor in the Cayman Islands and has both an independent director and a director appointed by the constitutional administrator, the Cardano Foundation. If the Orion Fund is funded, a Community elected director will be added at a later stage ("Community Director"). Arouet Holdings' sole role in this Proposal is to act with the objective of increasing the Treasury.
3. **Cardano Foundation:** Constitutional administrator of this Proposal and ecosystem and technical know-how provider to Draper Dragon and Draper University. The Cardano Foundation is not responsible for and has no role in managing the Orion Fund or taking investments.

4.3 Orion Fund: Objectives

- Return capital to the Treasury and eLPs. Target of ~3x gross multiple on invested capital and a 25%+ internal rate of return, aiming to support both ecosystem growth and financial returns, thus strengthening the Treasury's sustainability and long-term self-funding capacity. *Target derived from institutional benchmarks for Blockchain & Crypto VC funds (*Figures sourced from [Cambridge Associates](#) as of June 30, 2025; see Figure 6*). Projections are illustrative only and are not guarantees of future performance. All investments involve risk, and actual results may vary. See Section 12 (Legal Disclaimer) for additional information.
- Increase Cardano's on-chain revenue, application usage, and stablecoin market cap through capital deployment and ecosystem integrations. Over the duration of the Orion Fund, the ambition is to contribute to Cardano TVL increases from the current \$300M to \$3B+, led by RWA (\$1.5B+) and DeFi (\$1.5B+).
- Fill the post-grant (e.g., Project Catalyst, Builder DAO, etc.) capital gap for builders via equity based investments.
- Support revenue-capable projects across real-world assets, payments, and stablecoins, institutional DeFi, consumer applications, and compliance-ready dApps.
- Attract and retain high-quality developers through both capital and non-financial support. Over the duration of the Orion Fund, the ambition is to achieve 7x the monthly active developers by implementing an in-house venture studio model to decrease onboarding friction and lower barriers of entry for developers.
- Educate, train, and shape new and existing developers into entrepreneurs.
- Bridge the adoption gap by guiding teams to view their growth as part of Cardano's larger narrative, leaving a lasting infrastructure, services, and precedents for future projects.

As on-chain activity and TVL increase, development activity is expected to rise in parallel. Capital deployment and ecosystem integrations are intended to enable more real-world assets to be tokenized on Cardano, supported by revenue-generating protocols and liquidity channels connected to stablecoins and DeFi markets.

Over time, this dynamic should produce a new generation of builders focused on scaling production-ready applications, resulting in more active protocols, sustained application-level revenue, and increased visibility for the Cardano ecosystem.

4.4 Orion Fund: Profit Distribution

Assuming that the Orion Fund returns a profit after costs, the distribution of such profits will follow the waterfall model as set forth below. In simple terms, **the General Partner will only share in profits once Arouet Holdings has been fully repaid all capital deployed for**

Ecosystem Support & Investments in the aggregate (see detailed descriptions below in Sections 5.1, 5.2, and 5.3).

For example, if \$50M of the contributed capital is used towards Direct Investments into portfolio companies, \$11.5M of the contributed capital is spent on Growth Capital, and \$6.0M is deployed toward Startup Acceleration & Talent Pipeline, then \$67.5M in the aggregate would be returned to Arouet Holdings **before any further distributions occur**. After the \$67.5M is distributed, the Orion Fund's remaining net profit with respect to Ecosystem Support & Investments (the "Net Profit") is split between Arouet Holdings as LP and the GP at a ratio of 80% and 20%, respectively.

Illustrative 3x Example: (Simplified waterfall if Arouet Holdings was the sole LP)

Item	Amount
Treasury capital deployed for Ecosystem Support & Investments	\$67.5M
Targeted value generated on Treasury capital deployed (~3x)	\$202.5M
Capital returned to Arouet Holdings with the objective of increasing the Treasury (before profits)	\$67.5M
Net Profit on Treasury capital	\$135.0M
Arouet Holdings share of Net Profit (80%)	\$108.0M
GP share of Net Profit (20%)	\$27.0M
Total returned to Treasury via Arouet Holdings (before expenses)	\$175.5M (\$67.5M + \$108.0M)

Net multiple to Treasury via Arouet Holdings (before expenses): $\$175.5\text{M} \div \$67.5\text{M} \approx \sim 2.6\text{x}$

The figures above are provided for illustrative purposes only to demonstrate the mechanics of the repayment and profit distribution waterfall. They are not projections or guarantees of performance. Actual outcomes may differ materially based on investment performance, timing of exits, market conditions, fund expenses, and other factors. The figures above are limited to return on amounts devoted to Ecosystem Support & Investments, and exclude Direct Fund Operational Expenses.

The eLPs would receive similar distributions, except that an eLP is expected to receive its full contributed capital before the GP receives any returns from the Orion Fund with respect to such eLP.

To the extent that any proceeds are available to the Orion Fund for distribution and before all capital is returned as specified herein, the GP may, in its sole and absolute discretion, make

distributions to the GP and LPs of the Orion Fund in amounts to permit the GP and LPs to pay taxes owed on profits allocated by the Orion Fund ("Tax Distributions"). These Tax Distributions would be treated as advances on distributions owed to the GP and LPs, and would thus reduce future distributions under the profits distribution waterfall.

Any capital and profits owed to Arouet Holdings is expected to be paid directly into the Treasury by the GP, acting upon the instructions of Arouet Holdings as LP. If direct repayment is not possible for legal, regulatory, or technical reasons (e.g., Treasury mechanisms have been changed by the Cardano governance processes in the interim) at such a time as distributions are made, this will be publicly disclosed and an alternative solution found; however, it will not affect the amount returned to the Treasury.

4.5 Orion Fund: Terms, Caps, and Management

The GP intends to manage the Orion Fund. DD Ecosystem MC, LLC (an affiliate of the GP) will serve as the investment adviser to the Orion Fund (the "Adviser"). The Adviser is an exempt reporting adviser regulated by the Securities and Exchange Commission.

The Orion Fund is designed to operate over a six-year base period, with the option to extend for up to two additional one-year periods. Importantly, this is not a \$75M upfront deployment. Capital is intended to be committed and drawn gradually over time, in line with ecosystem progress, market conditions, and Community governance.

To further limit risk and support predictable Treasury planning, this budget includes hard caps on ADA withdrawals. Across the six-year base term, total Treasury withdrawals are capped at 175M ADA (the "Aggregate Cap"). This tranche-based structure is designed to bound Treasury exposure across market cycles, avoid large upfront withdrawals, and ensure that any future capital access remains subject to explicit governance control. The breakdown below outlines how the Aggregate Cap is segmented across individual tranches, with absolute limits in place to ensure the Treasury's maximum exposure is known in advance and cannot expand without additional community approval.

- Year 1 (2026 – \$15M / up to 50M ADA) (Current Proposal)
- Year 2 (2027 – \$30M / up to 85M ADA) (Pending Future Treasury Withdrawal)
- Year 4 (2029 – \$30M / up to 85M ADA) (Pending Future Treasury Withdrawal)

This staged structure is deliberate. It allows the Community to evaluate performance before additional capital is deployed, rather than approving everything at once.

Capital withdrawals are intentionally flexible, not fixed. Depending on market conditions, the Orion Fund may draw less than the maximum in any given year, and the GP may also defer a capital call by up to six months if conditions are not favorable. Even in years where activity is

higher, all withdrawals remain subject to the ADA caps described above. Importantly, no capital is drawn without a successful Treasury withdrawal governance action.

For each tranche, the General Partner expects to issue a capital call to Arouet Holdings requesting the amount of such tranche on or immediately after the date that a governance action is submitted for approval. Once a Treasury withdrawal is approved, ADA is transferred to a wallet held by the GP on Arouet Holdings' behalf. The GP, in its sole discretion and on behalf of Arouet Holdings, intends to hold ADA, engage a third party to convert ADA to USD or stablecoin, and contribute USD and/or stablecoin to the Orion Fund as soon as reasonably practicable following receipt of ADA from the Treasury. The General Partner's contribution of USD and/or stablecoin to the Orion Fund on behalf of Arouet Holdings will satisfy each applicable capital call to Arouet Holdings, subject to any conversion fluctuation risks as detailed in Section 11.1 below. The GP and/or the Adviser expect to bear any fees and expenses incurred with respect to the holding, conversion and transferring of assets described in this paragraph.

Finally, the Orion Fund expects to enter into a side letter with Arouet Holdings that clearly outlines supplemental terms, including how capital and returns flow back to the Treasury. This side letter will be shared publicly.

4.6 Orion Fund: Total Capital Deployment Breakdown

The table below presents the intended target allocation across the full six-year term of the Orion Fund, with each future Treasury withdrawal tranche separately approved through governance. These figures are provided for long-term transparency and planning visibility only and do not constitute approval of any future withdrawals.

Ecosystem Support & Investments

Category	Description	Target 6-year Allocation
Direct Investments	Equity investments into Cardano-native and Cardano-integrated startups that drive measurable ecosystem KPIs and long-term Treasury value	\$50M
Growth Capital	In-house venture studio, exchange listings, integrations, post-investment portfolio support, governance, and Community tooling	\$11.5M

Startup Acceleration & Talent Pipeline	Equity-based accelerator programs, founder residency, and new generation of developers pipeline	\$6M
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The aggregate capital deployed towards Ecosystem Support & Investments must be fully repaid to the Treasury before any GP profit participation occurs (see Section 4.4).

Direct Fund Operational Expenses

Category	Description	Target 6-year Allocation
Management Fee	Fund operations (discounted average market rate for similar setups from 2% to ~1.3%)	\$6M
Customary Fund Expenses	Audit, legal, tax, and compliance	\$1.2M
Arouet Holdings Administration Expenses	Ownerless legal entity based in the Cayman Islands facing the Orion Fund with the specific objective of increasing the Treasury	\$0.3M

Allocations shown are targets, assuming successful approval of all Treasury withdrawal governance actions; final deployed amounts may vary due to ADA price movements or other contingencies described in this Proposal, while remaining within approved caps and governance constraints.

5. Capital Allocations

5.1 Direct Investments

Funds in this category are expected to support startups and projects capable of expanding Cardano's capabilities through direct investments. This provides value add from day one of the Orion Fund's operation through improved Tier 1 exchange access, institutional networks, technical expertise, accelerator infrastructure, and reputational capital.

Anticipated Investment Stage Breakdown:

- **Roughly one quarter for Pre-Seed:** Back exceptional founding teams in large, addressable markets where Cardano's architecture provides a native advantage.
- **Roughly one third for Seed:** Support early growth-stage companies with initial revenue traction, active users, and clear paths toward sustainable product-market fit.
- **Roughly two-fifths for Late Seed / Pre-Series A:** Bridge more mature projects toward institutional rounds, prioritizing strong financial metrics, revenue growth, and operational readiness.

Any unused funds from Growth Capital, Startup Acceleration & Talent Pipeline, Arouet Holdings Administration Expenses or Direct Fund Expenses are also expected to roll over into this deployable pool. This ensures capital is consistently directed where it creates the greatest impact. Draper Dragon may also co-invest capital from its existing funds alongside the Orion Fund deals (regulatory restrictions prevent direct investment into the Orion Fund by its own managed funds).

5.2 Growth Capital

Funds in this category are intended for ecosystem growth initiatives, which are supported by the GP, the Adviser, Draper University, and/or other affiliates. These funds are expected to support both existing Cardano projects and new opportunities that expand the ecosystem's reach and utility. Examples include exchange listings and introductions, deployment and integration support through in-house Cardano experts for technical guidance, introductions within and outside the Cardano ecosystem to drive TVL and on-chain usage growth, market maker and liquidity provider introductions, governance, and Community tooling.

These funds are intended to be deployed as follows:

- An affiliate of the Adviser and/or the GP intends to utilize ca. \$1M annually for its in-house venture studio, led by experienced operators and developers, including a 5 member core team with deep expertise in Plutus and Aiken, to provide hands-on product development support, technical guidance for Cardano integrations, and early market validation.
- The venture studio is designed to fully incubate and launch 1–2 Cardano-native and Cardano-integrated products per year and to accelerate up to 8 existing Cardano projects annually, delivering structured technical and commercial support, integration assistance, execution guidance, and access to relevant partners and investors.
- Venture studio accelerated projects are DDC portfolio companies that receive additional technical, operational, and integration support to address execution challenges, support product-market fit development, integrate with critical Cardano and cross-ecosystem infrastructure, and engage with external venture capital and strategic partners. In exchange for resources provided by the venture studio, the

Orion Fund (and by extension, the Treasury) may retain equity interests in such companies, resulting in ownership exposure aligned with portfolio execution and long-term ecosystem development.

- Alongside the venture studio, remaining Growth Capital may be used to support exchange listings and introductions for portfolio company tokens, ecosystem and institutional integrations within and outside Cardano, post-investment portfolio support, liquidity and market-structure initiatives, and governance and Community tooling, leveraging Draper Dragon's relationships and infrastructure. It is intended for Draper University and/or other affiliates to assist in certain of the foregoing activities as an execution partner.

Any unused amounts allocated to Growth Capital will be reallocated to Direct Investments.

5.3 Startup Acceleration & Talent Pipeline

Funds in this category support equity-aligned accelerator programs that benefit the Treasury and the broader ecosystem by improving accountability, execution quality, and long-term value creation. Operationally, these programs are administered by Draper University as the designated execution partner. These programs complement existing funding mechanisms by supporting teams beyond early experimentation and into company formation, while creating a pipeline of new builders and founders for Cardano. The Orion Fund may take equity positions in participating startups as Direct Investments, providing the Orion Fund—and ultimately the Treasury—with ownership exposure aligned to execution and outcomes. This approach shifts ecosystem support away from one-time grants toward durable ownership in Cardano-native, Cardano-integrated and newly established Cardano startups.

The programs below focus on execution validation and risk reduction prior to additional capital deployment. Through structured collaboration periods (typically 6–12 weeks), teams are assessed on technical delivery and operational readiness, enabling follow-on investment decisions to be based on demonstrated performance and ensuring disciplined, accountable capital deployment aligned with long-term ecosystem outcomes.

Program 1: Hacker House

Objective: Converting 15 promising early-stage teams from developers into entrepreneurs.

- 6-week intensive for 15 early-stage teams
- Up to \$50K investment targeting 2.5% equity
- Full residency + optional 4-week extension
- Pitch Day for angels and early-stage VCs

Program 2: Growth Accelerator

Objective: Scaling 10 investor-ready companies in RWA, Institutional DeFi, and Enterprise

- 12-week Silicon Valley accelerator
- Up to \$150K investment targeting 5% equity
- Full residency + optional 4-week extension
- Demo Day for institutional investors

5.4 Arouet Holdings Administration Expenses

Funds in this category are intended to cover the customary expenses of keeping Arouet Holdings operational and in good standing in order to act as the LP with the specific objective of increasing the Treasury. This includes registered office and secretary fees, director fees (insofar as directors are independent professionals that require remuneration), supervisor fees, and general and operational legal costs.

5.5 Direct Fund Expenses: Management Fees

Funds in this category are intended to cover the operating expenses of the GP and/or the Adviser, which include, without limitation, salaries for employees, due diligence work and valuations (e.g., technical and market reviews), and advisory support (e.g., mentorship and founder support). Management fees are separate from other Direct Fund Expenses described in Section 5.6 below.

5.6 Direct Fund Expenses: Customary Expenses & Fees

Funds in this category are intended to cover customary expenses of the Orion Fund that are not otherwise covered in the other categories. For example, this would include, without limitation, organizational and syndication expenses, audit costs, legal, tax, and compliance costs, and wind-down expenses. This category will be paid to third parties and will not be paid to the GP, the Adviser, Draper University, or any of their respective affiliates, without the prior consent of Arouet Holdings. The expenses in this section will be capped at \$300,000 annually.

6. Transparency, Oversight & Reporting

Transparency, oversight, and accountability are core to this Orion Fund's operation. A public dashboard built by Draper Dragon is expected to display real-time ecosystem KPIs (e.g., TVL growth, on-chain usage, and network revenue growth, user adoption and retention across portfolio projects, new strategic partnerships within the ecosystem, developer onboarding and ecosystem engagement, open-source tooling, and public goods contributions). A longer-term goal is also to provide on-chain verifications of fund data.

Additional disclosures will be provided through a public Quarterly Fund Report that will cover ecosystem metrics since inception, a portfolio overview, Startup Acceleration & Talent Pipeline

program updates, and the strategic focus for the next quarter, fulfilling the mandate for apparent oversight. A Quarterly Ecosystem Roundtable and Investment AMAs will complement the written transparency initiatives.

Certain portfolio information, such as deal terms, valuations, or ongoing transactions, are confidential information and must remain private. Some of these details will only be shared with the LPs (as set forth in the definitive legal agreements, such as the limited partnership agreement and subscription agreements, which include the “Risk Factors” set forth therein; collectively, “Agreements”), and subject to any side letters by and between the Orion Fund and any LPs. This allows for as much Community transparency as possible while protecting the Orion Fund from regulatory, legal, and competition risks. These confidentiality guardrails are standard for regulated venture funds and protect the Orion Fund and its portfolio companies. All public disclosures will continue to focus on verified on-chain metrics and ecosystem-level results without compromising sensitive information.

7. Community Oversight

One of Cardano’s greatest strengths is its engaged Community. The Orion Fund plans to build on that foundation by marrying extensive public disclosures and Community oversight with professional fund management. The goal is to allow for informed Community decision making while ensuring accountability, transparency, and alignment with Cardano’s ecosystem growth. To further this goal, Arouet Holdings intends to have three directors (the “Arouet Holdings Directors”), one independent, one from the Cardano Foundation, and the Community Director. Additional details on the Community Director are below in Section 9.

Building in the Open

- The Orion Fund will provide opportunities for the Community to discuss fund performance, project milestones, and strategic direction.
- Participant profiles and curriculum outlines for the Startup Acceleration & Talent Pipeline support programs will be published for public feedback.
- Ecosystem impact projections will form part of the selection processes.
- Pitch sessions and demo days will be held live via Zoom webinars whenever feasible so that the Community can directly observe educational outcomes.
- Governance and feedback workshops will be held both virtually and in person in Silicon Valley.

8. Profile & Team

Draper Dragon

Founded in 2006, Draper Dragon is the leading digital asset focused fund within the Draper network and a leader in Web3 investments. The team brings deep expertise across blockchain ecosystems, especially UTXO-based environments, alongside a strong fundraising track record, including investments such as Ledger, Gemini, EtherFi, Centrifuge, and more.

Building on the successful completion of the Cardano Founders Residency Program at Draper University in Q1 2025, Draper Dragon partnered with Draper University to launch a dedicated Cardano ecosystem fund. With over 19+ years of venture capital experience and a history of managing multiple ecosystem funds, this partnership combines Draper Dragon's disciplined investment approach with Draper University's proven accelerator platform, creating a pathway to deliver sustainable and scalable growth to the Cardano ecosystem through professional investment management and comprehensive entrepreneurial development.

Draper University

Tim Draper, legendary Silicon Valley venture capitalist, founded Draper University ("DU") in 2012 with a vision to change the world we must change education. Located in the heart of Silicon Valley in downtown San Mateo, DU teaches entrepreneurship globally through hands-on training, innovative curriculum, and thought leadership, bringing together young participants, startup founders, executives, and investors under one roof.

DU's educational philosophy centers on experiential learning and cultural immersion, creating what participants describe as a melting pot of cultures, ideas, and dreams. With over 5,000 alumni from 103 countries, more than 3,500 startups launched, and \$1+ billion raised in venture capital, the program delivers intensive, immersive experiences that blend theoretical entrepreneurship education with practical startup-building exercises.

DU's proven blockchain expertise includes successful programs with Algorand, Tezos, VeChain, and Stellar ecosystems. Notable achievements include \$17.5 million in commitments on Algorand Demo Day with 8 startups raising over \$1 million each, and producing Web3 unicorns Highstreet and Lemon Cash.

In partnership with the extended Draper network, 10+ years of success have shown:

- Experience: 400+ companies backed, 50+ unicorns, decades of investment experience.
- Supporting Leaders in Web3 and Beyond: Early investments across the extended Draper network include Coinbase, Ledger, Gemini, VeChain, Baidu, Tesla, Skype, Robinhood, Hotmail, EtherFi (\$8.98B~ TVL), Veda (\$1.81B~ TVL), Kernel (\$1.15B~

TVL), Centrifuge (\$1.27B~ TVL), Coinflow, and more. **(TVL figures sourced from DeFiLlama as of January 12, 2026.)*

- Exchange and Wallet Partners: Coinbase, Binance, OKX, ByBit, BitGet, KuCoin, Gate, MEXC CoinDCX, GMO Coin, Ledger, Xverse, Zengo, Privy, WalletConnect, and more.
- Developer Pipeline: Global talent funnel spanning 100+ nations; direct integration with developer communities across major L1/L2 ecosystems and a worldwide network of alumni-led ventures for rapid talent scouting.

9. Arouet Holdings Rationale and Governance

Arouet Holdings has been created to act as an LP to the Orion Fund and ensure the repayment of any future returns of the Orion Fund to the Treasury. Arouet Holdings is ownerless and has no other function than to act as an LP to the Orion Fund (and possibly similar arrangements in the future) with the specific object of increasing the Treasury. After exploring a number of possible jurisdictions and legal structures, a foundation based in the Cayman Islands came out as the clear best option based on the flexibility of its structure and its compatibility and recognition within the fund market. Apart from the usual functions required by the Cayman Islands regulations (e.g., Supervisor, Secretary, etc.), Arouet Holdings will have two directors at incorporation, and will expand this to include a third Community Director if the Orion Fund is funded.

Community Director

- Arouet Holdings plans on using a public nomination and voting process for the Community Director role that allows for direct Community participation (subject to certain minimal requirements), if and when the Orion Fund is funded.
- The Community Director will have all the same rights, insights, and obligations as the other Arouet Holdings Directors.
- At the discretion of the GP, each of the Arouet Holdings Directors may be asked to sign NDAs to receive extended fund information while maintaining confidentiality.

10. External Limited Partners (eLPs)

In addition to the \$75M from Treasury withdrawals, the Orion Fund intends to raise at least \$5M from eLPs to expand institutional participation. This additional capital will be raised independently by the GP and is expected to strengthen the Orion Fund's strategic network. As the Orion Fund executes and demand from aligned institutional partners increases, the GP may selectively expand eLP participation over time.

These eLPs will be strategic, accredited investors aligned with Cardano's long-term vision, drawn from:

- Bitcoin and UTXO-native institutional capital (e.g., family offices, crypto hedge funds, and DeFi foundations exploring cross-chain initiatives between Bitcoin and Cardano).
- Strategic individuals who meet accredited-investor standards and contribute domain expertise, institutional networks, or regulatory experience.
- Digital asset infrastructure investors and custodial/payment platforms focused on Bitcoin interoperability, stablecoin infrastructure, and RWA integration.
- Layer-1 and DeFi ecosystem funds that seek exposure to institutional-grade growth on Cardano through a professionally managed, transparent venture structure.

Upon the Orion Fund's initial close, capital will be called from all LPs, including from Arouet Holdings and any eLPs, so that the Orion Fund can commence operations immediately. For Arouet Holdings, this means that once the first Treasury withdrawal tranche is approved, those funds will be used to meet Arouet Holdings' first capital call from the Orion Fund. Direct Investments, Startup Acceleration & Talent Pipeline programs, and Growth Capital initiatives can begin on day one.

eLPs will generally pay all expenses and receive a portion of profits corresponding to their proportionate share of the capital commitments of the Orion Fund, provided that the expenses related to Growth Capital, Startup Acceleration & Talent Pipeline, and Arouet Holdings Administration shall not be charged to the eLPs. Growth Capital, Startup Acceleration & Talent Pipeline, and Arouet Holdings Administration expenses shall also not be included for purposes of calculating partnership percentages.

11. Orion Fund: Contingencies

11.1 ADA Price Fluctuation

Each Tranche Cap is inclusive of a 20% buffer to manage the risk of ADA price fluctuations.

For example, if the ADA price is above \$0.40 at the time of the Treasury withdrawal for any tranche, less than the applicable Tranche Cap will be needed to procure the requisite USD amount for the capital call. However, due to the duration of the Treasury withdrawal voting process, there is a risk that the ADA price may fall or rise between submission of the Treasury withdrawal governance action and the ADA being received by the Orion Fund.

To mitigate this, the Treasury withdrawal for any tranche will be made at the ADA to USD price on the day of submission, plus a 20% buffer, but never in excess of the Tranche Cap. If the ADA to USD price remains stable or even rises above the conversion rate at the time when funds are paid from the Treasury to the Orion Fund, then the excess will be applied by the GP to reduce the capital call for the next tranche. If the ADA price falls between submission of the Treasury withdrawal and payment of the funds to the Orion Fund, then the buffer will absorb the first 20% of any shortfall. If the buffer is insufficient and the capital call is not met in full, a subsequent top-up Treasury withdrawal governance action to make up the difference may be submitted, or the GP may defer the remaining capital call until market conditions improve or add the shortfall to the second tranche capital call. In any event, neither the Tranche Cap nor the Aggregate Cap will ever be exceeded.

Example ADA Price Rises: If the ADA price is \$1 at the first tranche submission, the withdrawal request will be for 18M ADA. This represents the \$15M capital call converted to 15M ADA, plus the 20% buffer of 3M ADA. If ADA remains at \$1 when the Treasury withdrawal is enacted and paid into the Orion Fund, the 18M ADA will be worth \$18M. This \$3M surplus will reduce the second tranche capital call from \$30M to \$27M. If the ADA price rises to \$2 when the Treasury withdrawal is enacted, the 18M ADA will be worth \$36M. The resulting \$21M surplus will reduce the second tranche capital call from \$30M to \$9M.

Example ADA Price Falls: If the ADA price is \$0.40 at the first tranche submission, the withdrawal request will be for 45M ADA. This represents the \$15M capital call converted to 37.5M ADA, plus a 20% buffer of 7.5M ADA. If ADA remains at \$0.40 when the Treasury withdrawal is enacted and paid into the Orion Fund, the 45M ADA will be worth \$18M. This \$3M surplus will reduce the second tranche capital call from \$30M to \$27M. If the ADA price drops to \$0.30 when the Treasury withdrawal is enacted and paid into the Orion Fund, the 45M ADA will be worth \$13.5M. The resulting \$1.5M shortfall compared to the capital call will either be submitted as a top-up Treasury withdrawal request, deferred by the GP until market conditions improve, or added to the second tranche capital call.

If the GP defers a capital contribution for six months due to market conditions, and if the ADA price has not improved by the end of the GP's six month deferral period, the GP will, after consultation with Arouet Holdings, decide how to adapt the strategy of the Orion Fund. This may include, but is not limited to, seeking an additional budget info action and subsequent treasury withdrawal, restructuring the withdrawals (up to the caps), seeking other eLPs to close the funding gap, or scaling back on deployment of funds.

11.2 Treasury Withdrawal Governance Action Unsuccessful or Impossible

In scenarios where a Treasury withdrawal does not pass the required thresholds for approval, Arouet Holdings and the GP will assess the reasons for the failure and decide whether to proceed with a resubmission to correct any issue that may have caused the voting shortfall.

If the Treasury withdrawal is not possible due to NCL restrictions or if there is no credible path to a successful Treasury withdrawal at a given time, the GP will, after consultation with Arouet Holdings, the Cardano Foundation, and the Community, decide how to adapt the strategy for the Orion Fund. This may include, but is not limited to, restructuring the withdrawals (up to the applicable cap), seeking other eLPs to close the funding gap, or scaling back on deployment of funds. In extreme circumstances, as further detailed below, the Orion Fund may proceed to wind-down operations.

11.3 Failure to Raise eLP Capital

If the targeted amount of eLP capital is not achieved, the Orion Fund expects to reduce the capital deployed towards Direct Investments accordingly.

11.4 Fund Termination

After the end of the term, the Orion Fund will be terminated and wound down in a controlled process. Likewise, if at least three successive Treasury withdrawals fail to pass within a calendar year, the GP may, at its sole discretion, terminate and wind down the Orion Fund.

Following termination of the Orion Fund, the GP will focus on liquidating the Orion Fund's assets. In so doing, the GP will apply the following principles:

- Utilize a structured wind-down consistent with professional portfolio management.
- Sell or otherwise liquidate assets consistent with maximizing value to the Orion Fund and its LPs (including Arouet Holdings, with the specific objective of increasing the Treasury).

12. Disclaimers

This Proposal and related materials do not constitute an offer or solicitation to purchase limited partnership interests in the Orion Fund or any related vehicle. This Proposal is in no way complete and is subject to and qualified in its entirety by reference to the Agreements, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges, and obligations of investors in the Orion Fund. Neither the Orion Fund nor the GP has been formed yet, but they shall be formed prior to the effectiveness of any Agreements.

This Proposal contains certain information about Draper Dragon and its previous venture capital funds and other investments, Draper University, and the extended network. In considering the information contained in this Proposal about the past performance of any prior fund or any personal investments of or affiliated with the GP, managing director, or any of their respective affiliates, prospective investors should bear in mind that past performance is not necessarily

indicative of future results, and there can be no assurance that such prior performance will be maintained or that the Orion Fund will match such prior performance. There can be no assurance that the Orion Fund will achieve results comparable to those of such previous Draper Dragon funds or that actual realized returns will not differ from estimated unrealized returns. This Proposal also contains certain forward-looking statements and projections regarding the future performance and asset allocation of the Orion Fund. These projections are included for illustrative purposes only, are inherently speculative as they relate to future events, and may not be realized as described. These forward-looking statements will not be updated in the future.

No assurance can be given that the Orion Fund will achieve its investment objectives. The Orion Fund is suitable only for sophisticated, well-informed investors who have no need for liquidity in this investment and who have other adequate means of providing for their annual needs and contingencies. Prospective investors should make their own investigation and evaluation of an investment in the Orion Fund, and should not construe the contents of this Proposal as legal, tax, investment, or accounting advice. Each prospective investor should consult its own attorneys, business advisors, and tax advisors as to legal, business, tax, and other related matters concerning an investment in the Orion Fund. Each prospective investor should determine independently whether an investment in the Orion Fund is suitable for that investor in light of the investor's own personal circumstances.

[RELEVANT SUPPORTING MATERIALS]

- Forum Post:
<https://forum.cardano.org/t/scaling-global-adoption-cardano-and-draper-dragon-partner-for-strategic-80m-fund/152493>; IPFS Link to pdf of Forum Page, retrieved at 12.03.2026:
<https://ipfs.io/ipfs/QmYcTZmHyXYBjpknw7KY6xpnQkzvZrGXEpCg2STYUFf5k5>
- PDF of this proposal on IPFS can be found in the references of the GovAction