

Nova Cofoundery SEIS & EIS Fund

Information Memorandum

THE TAX TREATMENT REFERRED TO IN THIS INFORMATION MEMORANDUM DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH INVESTOR AND MAY BE SUBJECT TO CHANGE IN FUTURE. IN ADDITION, THE AVAILABILITY OF ANY TAX RELIEFS DEPENDS ON THE INVESTEE COMPANIES MAINTAINING THEIR QUALIFYING STATUS.

THIS INVESTMENT IS NOT SUITABLE FOR ALL INVESTORS AS THE UNDERLYING INVESTMENTS ARE ILLIQUID.

IMPORTANT INFORMATION

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE IN REGARD TO THE CONTENTS OF THIS INFORMATION MEMORANDUM AND APPENDICES YOU SHOULD CONTACT AN INDEPENDENT FINANCIAL ADVISOR OR OTHER PROFESSIONAL ADVISOR AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA) WHO SPECIALISES IN ADVISING ON INVESTMENTS OF THIS TYPE. RELIANCE ON THIS INFORMATION MEMORANDUM FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED. YOUR ATTENTION IS DRAWN TO SECTION F HEADED "RISK FACTORS." NOTHING IN THIS DOCUMENT CONSTITUTES INVESTMENT, TAX, FINANCIAL, REGULATORY OR OTHER ADVICE BY SAPPHIRE CAPITAL PARTNERS LLP OR NOVA GROWTH CAPITAL LIMITED. BEFORE INVESTING IN THIS FUND YOU SHOULD SEEK ADVICE FROM YOUR OWN INDEPENDENT INVESTMENT AND/OR TAX ADVISOR.

This Information Memorandum constitutes a financial promotion pursuant to Section 21 of FSMA. Its contents have been approved for the purposes of Section 21 of FSMA by Sapphire Capital Partners LLP (the "Authorised Person"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom and whose registered office is at 28 Deramore Park, Malone, Belfast BT9 5JU.

This Information Memorandum is issued solely for the purpose of seeking Subscriptions from prospective Investors for investments in the Nova Cofoundry SEIS & EIS Fund (the "Fund"). This Information Memorandum is confidential and must not be copied, reproduced or distributed in whole or in part to any other person at any time without the prior written consent of the Authorised Person.

Qualifying Prospective Investors

The communication of this Information Memorandum and the contents thereof is made to and directed at persons reasonably believed to be such persons as are referred to below and must not be passed on, directly or indirectly, to any other person:

- a) Professional clients or eligible counterparties as defined in the Conduct of Business Sourcebook ("COBS") forming part of the FCA's Handbook of Rules and Guidance;
- b) Retail clients who confirm in writing that they will receive advice on the investments referred to in this Information Memorandum from a financial advisor authorised and regulated by the FCA;
- c) To the extent that the recipient is a retail client who does not fall within category (b) above, only clients falling within the following categories subject to the conditions referred to below (the "Condition"):
 - certified high net worth investors in terms of COBS 4.7.9R;
 - certified sophisticated investors in terms of COBS 4.7.9R;

- self-certified sophisticated investors in terms of COBS 4.7.9R;
- certified restricted investors in terms of COBS 4.7.10R; and
- d) Any person to whom the communication may otherwise lawfully be made.

Further details relating to COBS Rules 4.7.9R and 4.7.10R can be found at handbook.fca.org.uk/handbook/COBS/4/7.html

COBS Rule 4.7.9R states:

"A certified high net worth investor, a certified sophisticated investor or a self-certified sophisticated investor is an individual who has signed, within the period of twelve months ending with the day on which the communication is made, a statement in the terms set out in the applicable rule listed below, substituting "Non-Readily Realisable Securities" for "Non-Mainstream Pooled Investments":

- 1) certified high net worth investor: COBS 4.12.6 R;
- 2) certified sophisticated investor: COBS 4.12.7 R;
- 3) self-certified sophisticated investor: COBS 4.12.8 R.

COBS Rule 4.7.10R states:

A certified restricted investor is an individual who has signed, within the period of twelve months ending with the day on which the communication is made, a statement in the following terms:

"RESTRICTED INVESTOR STATEMENT

I make this statement so that I can receive promotional communications relating to Non-Readily Realisable Securities as a Restricted Investor. I declare that I qualify as a Restricted Investor because:

- a) *in the twelve months preceding the date below, I have not invested more than 10% of my net assets in non-readily realisable securities; and*

b) I undertake that in the twelve months following the date below, I will not invest more than 10% of my net assets in non-readily realisable securities.

Net assets for these purposes do not include:

a) the property which is my primary residence or any money raised through a loan secured on that property;

b) any rights of mine under a qualifying contract of insurance; or

c) any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependents are), or may be entitled; or

d) any withdrawals from my pension savings (except where the withdrawals are used directly for income in retirement).

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on non-readily realisable securities.

Signature:

Date:"

The Condition referred to above is that either: a) the person who will arrange or deal in relation to the investments which are the subject of this Information Memorandum will comply with the FCA's rules on appropriateness set out in COBS 10, or equivalent requirements, for any application or order made in response to this Information Memorandum; or b) the recipient has confirmed that they are a retail client of a firm authorised in terms of FSMA that will comply with the FCA's rules on suitability set out in COBS 9 in relation to an investment in the Fund as set out in this Information Memorandum. To confirm compliance, the relevant financial advisor should complete and sign the Application Form.

The transmission of this Information Memorandum or the contents thereof to any other person is prohibited and persons not falling within the description set out above should not act or otherwise rely upon it. Reliance on this promotion for the purpose of engaging in investment activity may expose an individual to a significant risk of losing all of the property invested.

Tax Reliefs

The tax treatment referred to in this document depends on the individual circumstances of each Investor and may be subject to change in the future. In addition, the availability of any tax reliefs depends on the Investee Companies maintaining their qualifying Seed Enterprise Investment Scheme ("SEIS") and/or

Enterprise Investment Scheme ("EIS") status which may affect the ability of the Fund to meet its objectives and/or reduce the level of returns which would otherwise have been achievable. Past performance is not a guide to future performance and may not be repeated. **The value of an Investment may go down as well as up and an Investor may not get back the full amount invested and may therefore lose some or all of their Investment.**

An Investment in the Fund carries substantial risk. Any Investment in the Fund should be regarded as being medium to long term in nature. There can be no assurance that the Fund's investment objective will be met and results may vary substantially over time. Investors' money subscribed to the Fund will be committed to Investments, which may be of a long term and illiquid nature. The companies in which the Fund invests will not be quoted on any regulated market and, accordingly, there will not be an established or ready market for any such shares. It may be difficult to obtain information regarding how much an Investment is worth or how risky it is at any given time and the Investment Manager may experience difficulty in realising the Investments (for value or at all).

An investment in the Fund may only be made on the basis of this Information Memorandum and the Investor Agreement. Neither Sapphire Capital Partners LLP nor Nova Growth Capital Limited or any of their respective directors, officers, employees, and agents accept any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any information or opinions contained herein or in any other communication in connection with an investment in the Fund, except where such liability arises under FSMA, regulations made under FSMA, the FCA Rules or any applicable law and may not be excluded.

Representation of Information

All information and illustrations in this Information Memorandum are stated as at the date of its issue, unless otherwise stated. All statements of opinion or belief contained in this Information Memorandum and all views expressed and statements made represent the Authorised Person's own assessment and interpretation of information available to them as at the date of this Information Memorandum. No representation is made, or assurance given as to the accuracy, completeness, achievability or reasonableness of any views, statements, illustrations or forecasts or that the objectives of the Fund will be achieved. Prospective Investors are strongly advised to conduct their own due diligence including, without limitation, the legal and tax consequences to them of investing in the Fund and must determine for themselves what reliance (if any) they should place on such statements, views or forecasts. Prospective Investors' attention is drawn to Section F Risk Factors.

The Authorised Person believes that the factual content set-out in this Information Memorandum is accurate and that statements of opinion herein are reasonably held. This Information Memorandum was prepared by Nova Growth Capital Limited and

approved by the Authorised Person. Subject to the Authorised Person's overriding duty under the FCA Rules to ensure that the content of this Information Memorandum is presented in a manner which is fair, clear and not misleading with respect to the persons to whom the Fund is promoted by it, neither the Authorised Person nor Nova Growth Capital Limited accept responsibility to any recipient of this Information Memorandum for inaccuracies in factual representation or for any consequences to such persons of placing reliance upon statements of the Authorised Person's opinion except to the extent required by law. Additionally, some material included in this Information Memorandum is derived from public or third-party sources, and each of the Authorised Person, Nova Growth Capital Limited and the Investment Manager disclaims all liability for any errors or misrepresentations which any such inclusions may contain and do not take responsibility for the content contained therein. This Information Memorandum contains certain information that constitutes "forward-looking statements" which can be recognised by use of terminology such as "may", "will", "should", "anticipate", "estimate", "intend", "continue", or "believe" or their respective negatives or other comparable terminology. Forward-looking statements are provided for illustrative purposes only. Due to various risks and uncertainties, actual events, results or performance may differ materially from those reflected or contemplated in such forward-looking statements.

No person has been authorised to give any information, or to make any representation concerning the Fund other than the information set out in this Information Memorandum, and if given or made, such information or representation must not be relied on. This Information Memorandum is only intended for release in the United Kingdom and does not constitute an offer, or the solicitation of an offer to buy or sell any security or share. It does not constitute a public offering in the United Kingdom. In addition, this Information Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is unlawful or unauthorised or in which the person making such offer is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. It is the responsibility of any person outside the United Kingdom wishing to make an application to invest in the Fund to satisfy himself as to full observance of the laws of any relevant territory in connection therewith.

Prospective Investors should be aware that the arrangements described in this Information Memorandum represent a discretionary Fund management service subject to the terms of the Investor Agreement set out in Section I or available separately. Investors appoint the Investment Manager to act as their common discretionary investment manager to invest their Subscription monies on a discretionary basis into a Fund to be invested in SEIS and/or EIS qualifying companies. The Fund will act as a group of individual bare trusts held separately in the name of the Nominee with each Investor being

the sole beneficiary of each individual bare trust under a nominee arrangement. The Fund is not treated as an Unregulated Collective Investment Scheme (as defined in section 235 of FSMA). The Fund is an AIF.

The Fund has not been approved by HMRC under s.251 of the Income Tax Act 2007. The Authorised Person reserves the right to update this Information Memorandum from time to time. By submitting an Application Form, you agree to be bound by the terms and conditions.

Taxation Disclaimers

The information contained in this Information Memorandum makes reference to the current laws concerning SEIS and EIS reliefs, CGT reliefs and IHT reliefs. These levels and bases of relief may be subject to change. The tax reliefs referred to in this Information Memorandum are those currently available and their value depends on individual circumstances.

It is the intention that the Fund will invest in companies which are qualifying companies for the purposes of the Seed Enterprise Investment Scheme ("SEIS") and/or Enterprise Investment Scheme ("EIS") regime set out in Part 5 of the Income Tax Act 2007 (ITA). Following each qualifying Investment which the Fund makes it is envisaged that the appropriate SEIS and/or EIS compliance certificates will be issued to Investors, which will enable them to claim SEIS and/or EIS Reliefs in respect of that qualifying Investment. There is no guarantee however that the SEIS and/or EIS reliefs, CGT reliefs or IHT relief will be available on any Investment made by the Fund or that if it is initially available it will not be subsequently withdrawn. Any references to tax laws or rates in this Information Memorandum are based on current legislation and the proposed changes described in the next paragraph, all of which are subject to change and provided as a guide only. Prospective Investors are advised to take their own taxation advice and should consult their own professional advisors on the implications of investing in the Fund.

The Investment Manager intends to make qualifying Investments and intends to ensure that the Investee Companies obtain provisional advance assurances from HMRC that they are qualifying companies.

Please Note

Throughout this Information Memorandum, "us", "we" and "our" is used to refer to Nova Growth Capital Limited.

Please note that any non-English speakers should ensure they obtain and read a translated copy of this Information Memorandum, the Investor Agreement, the Custodian's Terms and Conditions, the Key Information Document and the Application Form before deciding whether to invest.

The information and illustrations in this Information Memorandum are stated as at 28 July 2020.

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Principal Parties & Advisors

Nova Cofoundry Limited

A venture building organisation that deploys its 100+ employees to co-found technology focused startups with sector expert founders. Nova Cofoundry Limited co-invests with the Fund and can also charge the Investee Companies for services provided.

Nova Growth Capital Limited

A firm based in the UK that acts as an investment advisor to the Nova Cofoundry SEIS & EIS Fund.

Investment Manager

Sapphire Capital Partners LLP
28 Deramore Park
Belfast
BT9 5JU.

Custodian

Mainspring Nominees Limited
20-22 Bedford Row
London
WC1R 4EB.

Investment Advisor

Nova Growth Capital Limited
17 Boundary Street
Liverpool
L9 9UB.

Nominee

MNL Nominees Limited
20-22 Bedford Row
London
WC1R 4EB.

A.

Welcome



Dear Investor,

There is no denying that COVID-19 has changed the world. We have seen a shift from the physical to digital, from local to remote and many more fundamental shifts in how we live, consume and conduct business. During these uncertain times, visionaries around the world are starting to create the new world in which we will all live. Some of the best ideas and opportunities come in times of crisis and dislocation.

Now more than ever we live in an online, on-demand disruptive economy. Between 2000 and 2014, 52% of the Fortune 500 companies either went bankrupt, were acquired or ceased to exist as a result of digital disruption. In 1958 the average life expectancy of a S&P 500 company was 61 years, in 2011 that life expectancy was 18 years. At the present rate of churn research by Innosight in 2017 estimated that 75% of the S&P 500 will be replaced by 2027. We have never seen a time of more dramatic corporate churn.^[i]

Research tells us that start-up technology companies have seen higher year-on-year ("YOY") growth than other sectors. On average they have been quoted growing at a rate of 34% YOY growth.^[ii]

However, 92% of these companies fail within three years^[iii]. I hear this figure all the time, it seems like it has almost become acceptable to some investors.

Interestingly when you look at the reasons for failure, 80% of mistakes made are accounted for by the same five errors^[iv]. Further, these same mistakes are addressed by accepted current business thinking, commonly found in the teachings of the Lean movement.

We believe we owe it to our entrepreneurs and our Investors to create a more rewarding experience, and this belief led Nova to develop the Cofoundry business model.

Now for the first time, as a private investor, you can invest in the Nova Cofoundry SEIS & EIS Fund. In doing so you are investing alongside Nova in our Cofoundry portfolio. Along with benefiting from the many years of operating experience accumulated by the Nova team you are also benefiting from, in our view, a very attractive category of tax relief available to UK investors.

Welcome to the Nova Cofoundry SEIS & EIS Fund, I believe you will have a rewarding experience.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Andy Davidson'. The signature is fluid and cursive.

Andy Davidson
Chief Executive Officer
Nova Cofoundry Limited

[i] Harvard Business review "Digital Transformation Is Racing Ahead and No Industry Is Immune" July 19 2017

[ii] Syndicate Room "Rise of the Growth Hunters" Nov 2016

[iii] ideabank.com/au "Startups are hard. 92% fail. Stack the odds in your favour" May 15 2017

[iv] <http://100firsthits.com/2013/11/15/top-10-startup-mistakes-infographics>. "Top 10 Startup Mistakes" November 15 2013



Executive Summary

1. The Opportunity

The Fund is an opportunity to invest alongside Nova in their portfolio of early-stage companies.

Nova accepts the available data that suggests:

- Companies within the technology market segment are on average growing at 34% year on year.
- 92% of these technology startups typically fail within three years.
- 80% of the mistakes that startups make are accounted for by five major errors.

Members of the Nova team have spent the last 10 years developing their Cofoundry model, in order to access this 34% year on year market growth, while minimising the risk of losses due to the high 92% failure rate of companies within this market.

The Cofoundry model works by seeking to address the most common reasons for failure which account for 80% of all the mistakes which startups make:

- Building something nobody wants.
- Having the wrong cofounders.
- Hiring the wrong people.
- Failing to execute sales and marketing.

Each Investors funds are Coinvested with Nova into a diversified Cohort within Nova's portfolio of at least ten early-stage knowledge-intensive companies, this diversification is large enough to reasonably mitigate the risk of failure across the whole Cohort.

The Fund further reduces investor risk and increases returns by allowing the investor to take advantage of considerable income tax, capital gains tax, and inheritance tax benefits available under the Seed Enterprise Investment Scheme or Enterprise Investment Scheme providing that the investor is a UK tax payer.

Nova takes a modern approach to deal origination and founder due diligence, regularly appraising over 25 opportunities before making an investment.

When combined with the SEIS or EIS benefits offered by the Fund we believe this makes a compelling proposition for investors:

- A minimum return of 38.5p in the £1 in the unlikely event that every company in the Cohort fails.^[v]
- The targeted return after three years is £1.72 for each £1 share held by Investors in the Fund and does not include any deduction for performance incentive fees or include any SEIS/EIS tax reliefs. Please note that this return is not guaranteed.

2. Key Benefits

- An engaged hands-on approach from an experienced startup team.
- Free of initial fees to the Investor for subscriptions received via a financial advisor, facilitating up to 100% deployment of Investor funds ensuring maximum tax efficiency for the Investor.
- SEIS and EIS tax advantages applicable, depending on personal circumstances.
- The targeted return after three years is £1.72 for each £1 share held by Investors in the Fund and does not include any deduction for performance incentive fees or include any SEIS/EIS tax reliefs. Please note that this return is not guaranteed.
- Performance fee aligned with the Investor's interests.

3. Performance Fee

Nova and the Investment Manager together will receive a performance fee of 20% of the amount of cumulative total cash returned to the Fund by each portfolio of Investee Companies into which the Investor's monies

[v] Based on an EIS investment by a higher rate taxpayer at 45% and EIS reliefs are claimed.

have been invested in excess of 150% of the amount of funds invested in the respective portfolio. For clarification, once the Investor has received in cash the first 150 pence per 100 pence invested (ignoring any tax relief), any additional distributable cash will be paid as to 80% to the Investor and 20% to Nova and the Investment Manager.

4 . Nova's Fee Structure

Nova and the Investment Manager will charge the following fees to its Investee Companies:

- Corporate advisory and arrangement costs - up to 5% of funds invested in the Investee Company.
- Annual management charge - up to 2% per annum on the funds invested in Investee Companies.

5 . The Target Return

The targeted return after three years is £1.72 for each £1 share held by Investors in the Fund and does not include any deduction for performance incentive fees or include any SEIS/EIS tax reliefs. Please note this return is not guaranteed.

6 . Who Is The Nova Cofoundry SEIS & EIS Fund Intended For?

The Fund is intended for those UK tax paying individuals:

- Seeking a diversified exposure to start-up companies in the UK.
- With income tax liability in the preceding or current tax years.
- With large capital gains to defer or mitigate.
- Who will benefit from IHT relief.

The minimum individual investment in the Fund is £10,000. At the Investment Manager's discretion, smaller individual investments may be accepted. The selection of Investee Companies and the subsequent allocation of Investor's subscriptions to the Investee Companies are made at the discretion of the Investment Manager with appropriate guidance from the Investment Advisor.

7 . Key Risks

- Investors should note that their Subscription will be invested in shares issued by startup and small unquoted investee companies.
- Given that the Investee Companies will be at seed stage, it is unlikely that the Investee

Companies will have revenue-generating ability at this time.

- It is unlikely that subscribers will have access to their capital for at least six years from the date of subscription.
- Due to the nature of investing in small unlisted companies, Investors must be aware that their capital invested is at risk.
- Tax reliefs currently available under the Seed Enterprise Investment Scheme and Enterprise Investment Scheme and stated investment returns are not guaranteed and may not be delivered.
- The value of Investee Companies shares may go up or down. An Investor may lose some or all of their investment. The past performance of the Investment Manager is not a guide to the future performance of the investments made through the Fund.

The list in this Section 7 is not exhaustive and other risk factors exist. Please refer to the Risk Factors in Section F, starting on page 24, for further information. As Nova Growth Capital Limited and Sapphire Capital Partners LLP are not permitted to offer financial advice, each party strongly recommends that subscribers seek suitably qualified and independent professional advice to assess the appropriateness and suitability of their Subscription.

8 . Dealflow

Nova leverages appropriate technology to source and mentor potential founders. This gives us a tremendous capability to perform real “in person” due diligence on our entrepreneurs before we co-invest, it allows us to understand and model our performance funnel and gives us excellent control of deal flow. We typically see over 25 opportunities per investment that we make.

Examples of eligible opportunities could include innovative software development, new medical technology applications or fintech or ed-tech innovation, originated by a founder with appropriate domain expertise. Such investee opportunities will strive with hands-on guidance, mentoring and execution from their cofounding team at Nova, towards the delivery of a proof of concept, minimum viable product, or prototype. The Investee Company will use this deliverable to demonstrate utilisation by early adopters to position the Investee Company optimally for a potential SEIS or EIS raise to fund commercialisation and growth.

9 . Coinvestment

Nova provides human resources and services to each start-up within the portfolio on a flexible basis. This prevents the start-up from locking in fixed monthly costs, provides a flexible cashflow runway and ensures the start-up has the optimum mix of skills and experience to achieve their objectives. Nova receives part of its payment for these services in cash and invests part of its payment on the same terms as the Fund, hence coinvesting. This ensures the alignment of both Nova and the Fund Investors in seeking successful exits for the Investee Companies.

10 . Tax Reliefs

The Fund is structured to provide eligible Investors who are tax resident in the UK, with the opportunity to obtain tax benefits available under either the Seed Enterprise Investment Scheme (SEIS) or the Enterprise Investment Scheme (EIS). SEIS or EIS relief is available to Investors in respect of each investment in an Investee Company, made under the investment mandate of the Fund, by reference to the date the shares in each Investee Company are issued.

Under SEIS and EIS, the main shared tax advantages that may be claimed by a qualifying Investor are as follows:

- Income tax carry-back relief. Investors can claim income tax relief for the tax year in which they invest in the Investee Companies, as well as the tax year immediately preceding the investment. This enables the Investor to claim tax relief in the period(s) most advantageous to him/her.
- Loss relief. A loss on any qualifying investment in the Fund, irrespective of the overall performance of the Fund, can be offset by individuals against income of the tax year of loss, or the previous year, or against capital gains of the tax year of the loss and future years.

Under SEIS, the main tax advantages that may be claimed by a qualifying Investor are as follows:

- 50% income tax relief up to a maximum investment in SEIS of £100,000 per tax year per individual.
- Tax-free gains. There is no capital gains tax liability on gains on the disposal of shares which have been held for three years in SEIS qualifying companies, on which SEIS income tax relief has been obtained and not withdrawn.
- 100% inheritance tax exemption after each individual investment has been held for at least two years.
- Please note that HMRC will only assess whether your investment is Business Relief qualifying, and therefore eligible for 100% Inheritance Tax exemption, upon death and not at the time that the investment is made. Therefore, legislation at the time of death will be the basis for assessment for Business Relief eligibility.

Under EIS, the main tax advantages that may be claimed by a qualifying Investor are as follows:

- 30% upfront income tax relief up to a maximum individual investment of £2m per tax year, subject to at least £1m being invested in Knowledge Intensive Companies.
- Capital gains tax deferral of unlimited gains on the sale of any assets if an EIS investment made within one year before or three years after the date of the disposal of the assets which give rise to a gain.

- Tax-free gains. There is no capital gains tax on the disposal of shares which have been held for at least three years in EIS Qualifying Companies on which EIS income tax relief has been obtained and not withdrawn.
- 100% inheritance tax exemption after EIS qualifying investment has been held for at least two years.

Please note that tax benefits depend on personal circumstances, are not guaranteed, and rely on UK tax legislation which may change in the future.

11 . Use of Tax Reliefs

Investments made into the Fund are split between SEIS and EIS qualifying companies. Investments of £150,000 or less are split 67% SEIS qualifying and 33% EIS qualifying. Investments of more than £150K are split £100,000 SEIS qualifying and the balance EIS qualifying. This allocation can be varied by prior agreement with an individual investor at the discretion of Nova and the Investment Manager.



The Nova Cofoundery SEIS & EIS Fund

1. Key Features

Structure	An Alternative Investment Fund.
Maximum Raise	Open-ended.
Minimum Subscription	£10,000 per investor. At the Investment Manager's discretion, smaller individual investments may be accepted.
Maximum Subscription	£2,100,000 per Investor. Being £2,000,000 per annum for EIS, provided £1,000,000 is in knowledge intensive companies and £100,000 per annum for SEIS.
Target Return	The targeted return after three years is £1.72 for each £1 share held by investors in the Fund and does not include any deduction for performance incentive fees or include any SEIS/EIS tax reliefs. Please note that this return is not guaranteed.
Fees and Charges	No initial fee to the investor. All initial fees are charged to the investee companies.
Focused Investment Strategy	The Fund seeks to offer Investors a diversified exposure of a minimum of 10 Investee Companies each of which is engaged in solving industry problems with the use of a digital solution. It is envisaged that each subscription will be deployed across each Investee Company on a diversified basis, at the discretion of Nova and the Investment Manager.



TAX RELIEF SCHEME
SEIS & EIS



COMPLIANCE STATUS
alternative investment fund



MINIMUM INVESTMENT
£10,000



MAXIMUM INVESTMENT
£2,100,000



SECTOR
start-up



CLOSING DATE
evergreen



MAXIMUM RAISE
uncapped



CLIENT TYPE
retail & professional



DEPLOYMENT
monthly & annually



TARGET RETURNS
172p for every 100p invested, after three years



TARGET TIME SCALE
six years

2 . Investment Opportunity

We all understand that we live in times of rapid change, sometimes we need to stop and think about what this pace of change means to us as investors.

We live in an age of ideas, and critically, due to the on demand nature of digital infrastructure, we now have the capability to execute on ideas like never before. Those ideas are disrupting the fabric of business models that in some cases have been prevalent for over a hundred years.

Between 2000 and 2014, 52% of the Fortune 500 companies either went bankrupt, were acquired or ceased to exist as a result of digital disruption. In 1958 the average life expectancy of an S&P 500 company was 61 years, in 2011 that life expectancy was 18 years.^[i]

At the present rate of churn research by Innosight in 2017 estimated that 75% of the S&P 500 will be replaced by 2027. We have never seen a time of more dramatic corporate churn.^[ii]

We now live in an *Online, On-Demand* disruptive economy

Between 2000 & 2014, *52%* of the Fortune 500 Companies have disappeared

Research tells us that start-up technology companies have seen higher year-on-year ("YOY") growth than other sectors. On average they have been quoted growing at a rate of 34% YOY growth.^[iii]

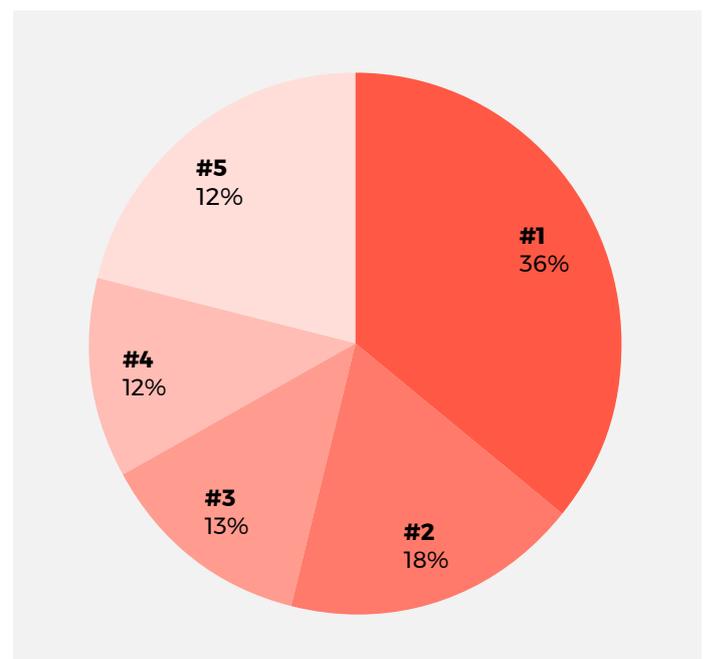
Yet 92% of start-ups fail. We hear this figure all the time, it seems it has almost become an acceptable figure.^[iiii]

Research shows that five errors account for 80% of the mistakes that startups make. These five errors are addressed by accepted current thinking.^[iv]

The Nova Cofoundry model has been designed over the last ten years to take advantage of this tremendous growth opportunity while at the same time mitigating the risks from these commonly made mistakes.

The most common reasons for failure:

- #1 Build something nobody wants.
- #2 Hiring poorly.
- #3 Failing to execute sales & marketing.
- #4 Not having the right Cofounders.
- #5 Other.



100firsthits.com

[i] Harvard Business review "Digital Transformation Is Racing Ahead and No Industry Is Immune" July 19 2017

[ii] Syndicate Room "Rise of the Growth Hunters" Nov 2016

[iii] ideabank.com/au "Startups are hard. 92% fail. Stack the odds in your favour" May 15 2017

[iv] <http://100firsthits.com/2013/11/15/top-10-startup-mistakes-infographics>. "Top 10 Startup Mistakes" November 15 2013

3 . Nova Cofoundry SEIS & EIS Fund

The Fund invests alongside Nova and benefits from:

- Co-Investing with experienced partners.
- Complete and trusted founder teams.
- Contributing to portfolio performance metrics.

Ultimately seeking to deliver a better return on investment.



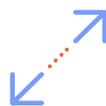
Co-invests with experienced partners



Complete and trusted founder teams



Portfolio analytics delivering better return on investment



Non - revenue performance metrics track journey to scale

4 . Track Record & Projected Returns

Across our portfolio, as we only invest at the point of a company's inception, none of that value existed before we became involved. Against the backdrop of the technology start-up market growing at 34% year on year, the Fund is projecting potential growth of 20% year on year. This will deliver our target Investor returns of £1.72 for each £1 share held by Investors in the Fund and does not include any deduction for performance incentive fees or include any SEIS/EIS tax reliefs. Please note that this return is not guaranteed.

Track record of Nova Cofoundry

10 years early stage investment experience.

Targeted Return

The following targeted return should not be regarded as a guarantee of the future performance of the Fund.



5. Investment Strategy & Operating Models

Founders & Resourcing

Founder teams themselves are inherently risky. Often, founder teams are incomplete or lacking in key skills and critically most or all of the members are relatively unknown to the Investment Manager.

62% of failed start ups cite cofounder conflict as a reason for failure.^[vi]

Cofounders are hard to come by, building a team is difficult, expensive and risky.

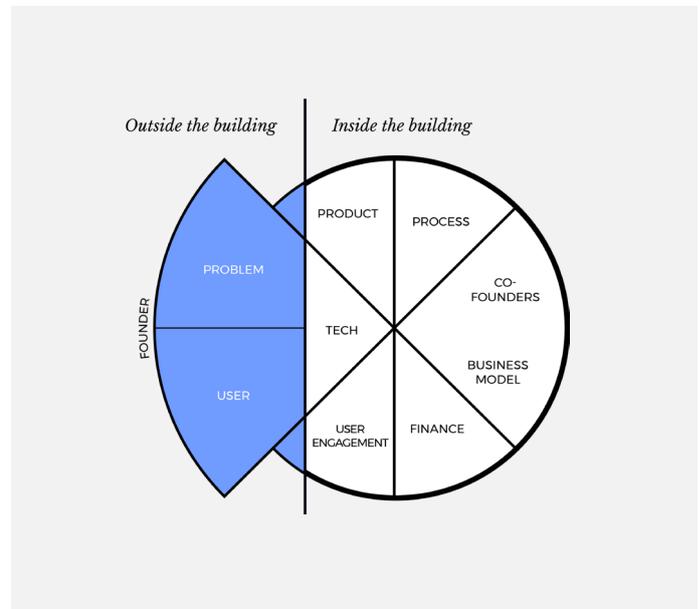
Investors often back a relatively unknown founder and cofounder team.

The Cofoundery model seeks to address these problems. Nova understands the skills required by a cofounder team and can fill the gaps in the founder's capabilities. This way the cofounder team is known to the Investment Manager and importantly if the cofounder team doesn't feel they can work with the founder then the opportunity is deselected by Nova.

A cofoundery provides a team of cofounders with access to relevant and diverse skills.

The cofounder team is known and trusted by the investor.

The cofounders vet the founder as part of the process.



Team on demand

We may live in an on-demand society, yet so much of a typical startup's costs are not on-demand at all. Team member's wages need paying, and when they are not paid, expertise and knowledge within the business walks out the door.

At cofoundery, all of the business's execution capability is provided flexibly from within the cofoundery. If the startup runs out of cash, the lights stay on and the service continues allowing the founder to work on a plan B benefiting from the knowledge and capability that is still retained in the cofoundery.

Start Up

- People are expensive fixed costs.
- Wages need to be paid.
- Knowledge leaves the business (if not paid).

Cofoundery

- Flexible resourcing and costs.
- Can continue operations beyond zero cash.
- Knowledge stays in the cofoundery.

[vi] <https://blog.adioma.com/startup-dirty-laundry-conflicts-that-kill-partnerships-infographic> "Startup Dirty Laundry: Conflicts That Kill Partnerships [Infographic]" December 17 2012

Product Design Process

“Founder bias” is well understood, yet many startups continue to focus on the "Build" element of the "Build Measure Learn Loop". We can't blame founders for this; they are under pressure from their investors to demonstrate tangible progress. In our experience most founders have never heard of a “Build Measure Learn Loop”.

Innovation management has become a branch of management science. There are many books written on the subject, it's difficult for founders to keep up with contemporary thinking!

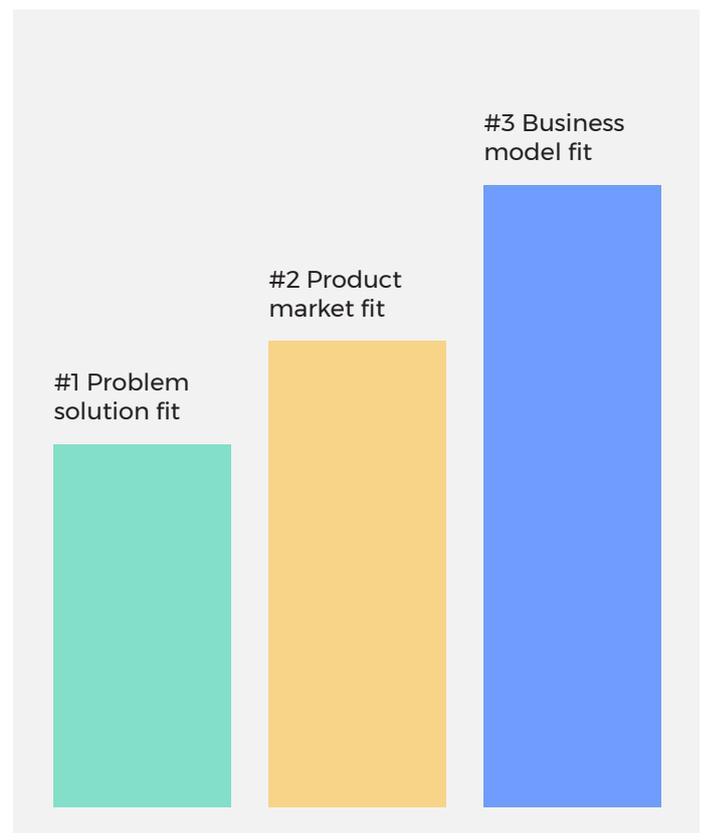
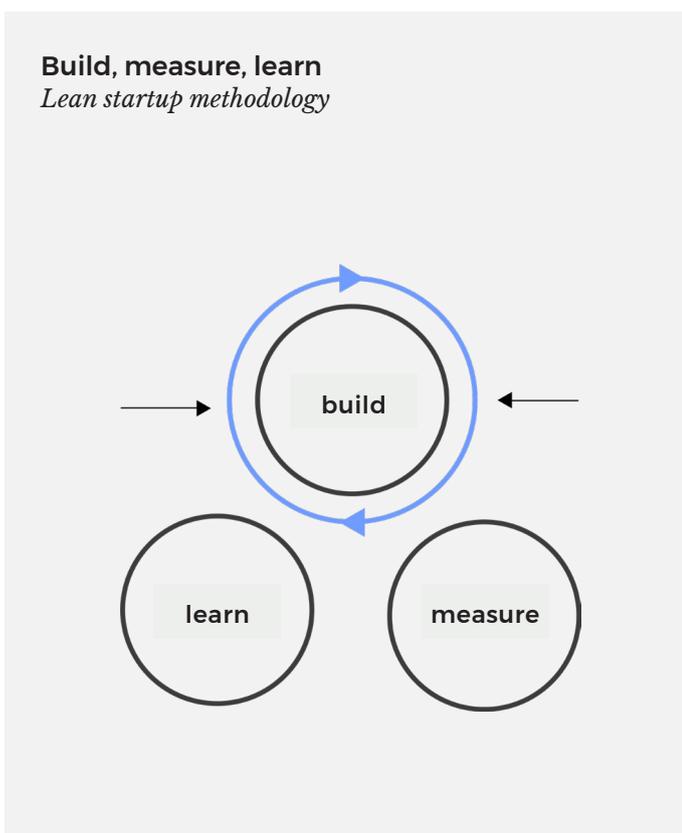
The cofoundry model seeks to provide the founder with a tried and tested methodology for focusing on the problem they are trying to solve, their end-user, and ultimately the business model that will succeed in their market. Too many startups are focused on their solution and the buyers they can initially sell to, rather than the problem they are trying to solve and the user who is experiencing it.

Start Up Issues

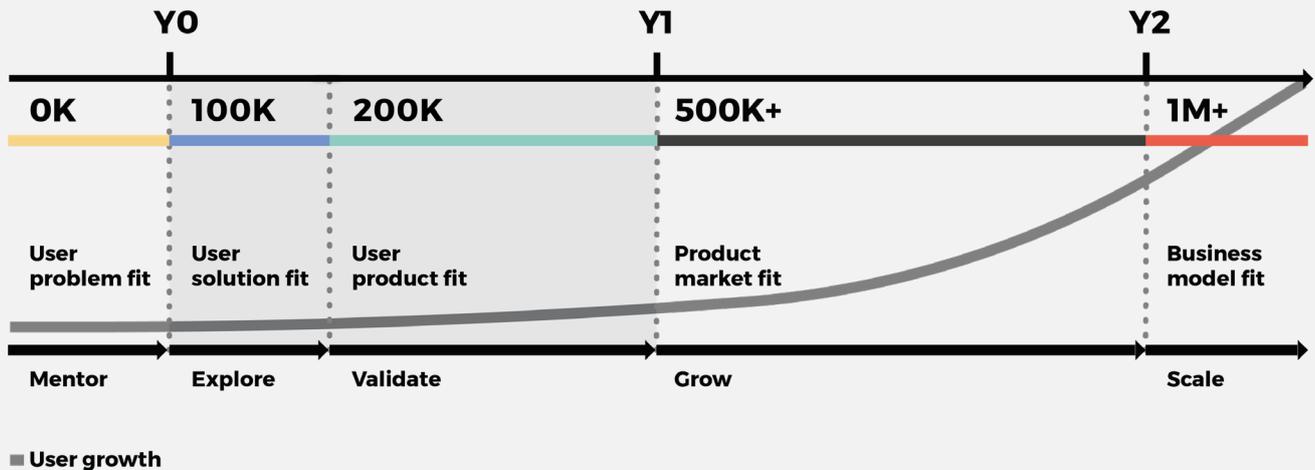
- Founders building something nobody wants is the number one mistake which startups make, accounting for 36% of all mistakes.
- “Founder bias” creates a focus on build over measure and learn.

Cofoundry Solutions

- The cofoundry process focuses on the problem, the user and the market... not the solution.
- This results in problem solution fit, product market fit and business model fit.



Startup life cycle - Cofoundery



Copyright: Cofoundery

Lifecycle & Continuity of Capital

On the subject of innovation management, you may well recognise some of these different startup lifecycle models. Leading thinkers such as Steve Blank, Paul Graham, and Geoffrey Moore are represented here.

In our experience, founders don't understand these models. The implications of this are, that they scale their team too early, they may fail to obtain product-market fit, miss their revenue targets and can fail expensively.

74% of high growth internet start-ups cite premature scaling as a key reason for failure. So why do investors let them do it?

At the Cofoundery, we educate our founders about the startup lifecycle from the outset and our cofounders are experienced in our process.

We seek to understand where each product is in its lifecycle and we understand what its next objectives should be. We then align our investment gates and roadmap accordingly. As investors, this affords us control and visibility of future capital requirements.

Start Up Issues

- Ignorance of start-up lifecycle.
- 74% of high growth internet start-ups cite premature scaling as a key reason for failure.^[vii]
- Failure to gain product market fit.
- Failure to cross the chasm.

Dealflow, Mentoring & Portfolio

Modern e-learning methods mean we can inexpensively mentor large cohorts of potential founders. This gives us a tremendous capability and allows us to perform real in person due diligence only on the best founders before we co-invest. It allows us to understand and model our performance funnel and gives us control of deal flow.

Dealflow, Mentoring

Performance funnel targets:

- Circa 300+ leads.
- 50 mentored.
- 12 £50K SEIS explore investments.
- Eight £100K SEIS validate investments.
- Four EIS growth investments.



[vii] <https://www.geekwire.com/2011/number-reason-startups-fail-premature-scaling/> "The No. 1 reason startups fail: Premature scaling" September 1 2011

6 . Portfolio Diversification & Risk Mitigation

Each Investor's Investment is spread across a Cohort of at least ten different companies.

The Cohort is most likely to have between three and six successful companies.

In the unlikely event that each company in the portfolio fails, the Fund will still provide a 38.5p in the £1 return (assuming EIS reliefs are claimed for a higher rate tax payer).

7 . What Types of Businesses Will the Fund Invest In?

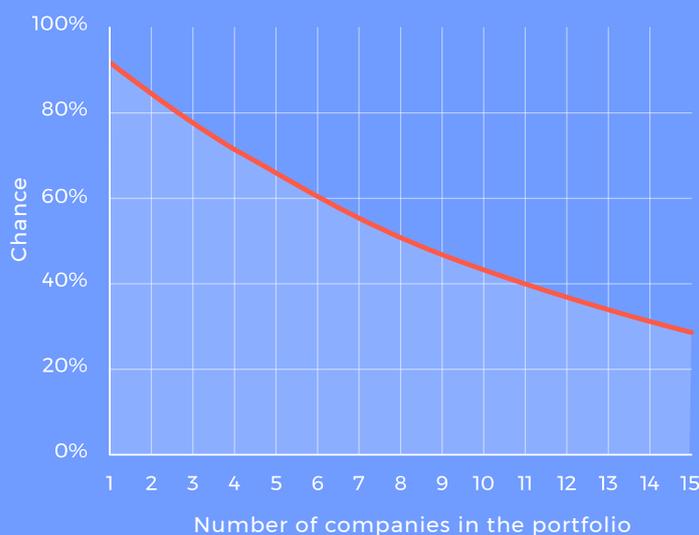
The investment strategy of the Fund is for Subscriptions to be invested in a diversified portfolio of a minimum of ten Investee Companies that exhibit some or all of the following qualities:

- Significant market potential with clear and demonstrable consumer or commercial need or demand.
- A problem originated solution that has the potential to create new market segments or displace current market offerings.
- Companies that utilise a technology-driven platform and/or an innovative approach to meet a newly-identified, existing market or consumer demand.
- Knowledge-intensive opportunities that possess a clear and realistic path to the delivery of a minimum viable product or prototype.
- A clearly defined strategy aimed at creating and protecting intellectual property.
- Passionate, energetic and experienced founders.
- A clear exit strategy to be implemented within five to six years with an alignment of founder interests with shareholders.

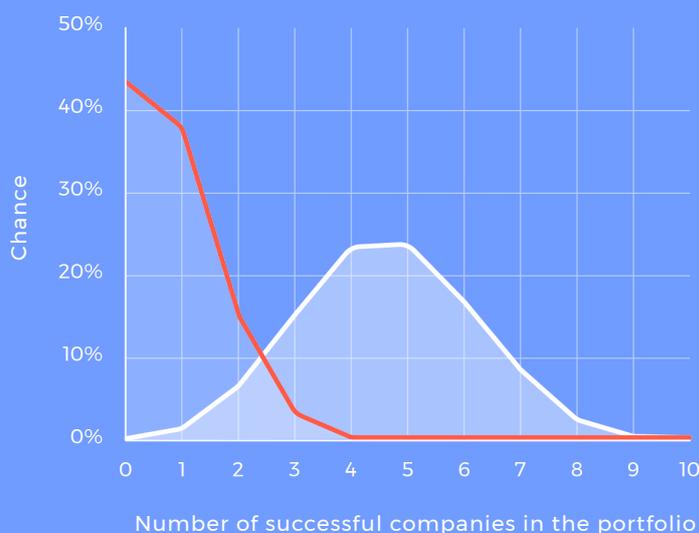
Individual failure rate

Nova's estimated number of successful companies within a Cohort

Chance of all companies failing at various portfolio sizes



Likely number of successful companies within a portfolio of ten



Based on an EIS investment by a higher rate taxpayer (at 45%), you must be able to take full advantage of available income tax relief and have paid enough income tax in the year. The portfolio losses are realised to benefit from the full downside protection provided through tax relief.



The Nova Team

Nova Growth Capital



Akshay Bhatnagar

Chief Investment Officer

Akshay is a Chartered Accountant with a 20-year career in venture capital fund management and corporate finance. After a career spanning emerging markets and government-backed investment vehicles, Akshay joined Alliance Fund Managers as part of the venture fund team managing the MSIF Venture Fund. Akshay's roles have primarily been split between new deal execution and portfolio management. Akshay went on to work as investment director of BFS Funding Managers Ltd, before joining Nova as the Chief Investment Officer (CIO) in March 2017.

Nova Cofoundery



Andy Davidson

Chief Executive Officer

Andy is a software engineer and serial technology entrepreneur. Over the last 20 years he has co-founded numerous technology companies, he still holds directorships in many of them, including Lucid Games and Sentric Music. Along with software engineering, Andy has strong financial experience, raising over £5M in seed venture capital for the companies he has co-founded. In 2017 Andy was recognised by the Sunday Times as one of the UK's top 100 disruptive entrepreneurs.



Olivia Greenberg

Chief Growth Officer

Olivia has over 20 years experience establishing and delivering digital business strategy, innovation, transformation and operations. As Chief Growth Officer at Nova, Olivia heads up the business mentor and product management teams, which support all Cofoundery investees to drive growth in the value of the portfolio. Between 1999-2013, Olivia worked with Amaze, one of Europe's leading digital transformation businesses. During this period, Olivia worked with many well known global brands, and held several roles from programme manager to transformation consultant to operations director, at which point she was directly responsible for the entire delivery portfolio of £10m+ and teams across four offices. Subsequently, Olivia worked as an independent consultant, notably as part of the team that established and ran the digital innovation programme for the London-based AstraZeneca Digital Innovation Group.



Paul Morrissey

Chairman

Paul is a veteran digital and telecoms entrepreneur and is exceptionally well-connected in the telecoms, film, media and digital industries. He founded the Tubedale group in 1989 which are an international telecommunication, project management, software development, and integration practice. Paul is also the Ambassador for Big Data Analytics and Customer Experience for the TM Forum which, with 900 members, is the largest global trade association focused on bringing together the digital ecosystem. Paul is currently Chairman of Lucid Games, Tubedale Films, Stagereel Films and A&M Wealth Management.



Sapphire

Sapphire is a multi-award-winning investment management firm authorised and regulated by the Financial Conduct Authority. Sapphire is a specialist investment management firm established to provide investment management services and bespoke SEIS and EIS solutions. Further details on Sapphire can be found on its website:

sapphirecapitalpartners.co.uk



Boyd Carson

Sapphire is headed by Boyd Carson, who has a considerable breadth of knowledge in the financial sector. Boyd has nearly 30 years' experience in the accounting and corporate finance markets, having previously worked at PwC where he was a director in the firm's transaction services group in New York specialising in acquisitions and disposals. Boyd is a Fellow of the Institute of Chartered Accountants.



Service, Offer Details & Charges

1 . Service

The arrangements described in this Information Memorandum relate to the Fund, which is an alternative investment fund.

This service will be conducted subject to the terms of the Investor Agreement as per section I.

By agreeing to subscribe to the Fund, it is the Investment Manager that selects the opportunities based on advice received by the Investment Advisor. The minimum subscription from an investor is £10,000 and there is no maximum subject to the annual subscription limit per investor of £100,000 for SEIS investments and £2m for EIS investments as stipulated by HMRC. At the Investment Manager's discretion, smaller individual investments may be accepted.

The selection of Investee Companies for deployment will be at the discretion of the Investment Manager, with advice from the Investment Advisor. Each company is to own identified intellectual property which is intended to be developed from post-concept to a minimum viable product or prototype.

The Investment Manager, with direction by the Investment Advisor, will exercise its discretion with respect to all Investments made on behalf of Investors, and Investors will be notified when their account is fully invested, and may be invited to re-subscribe in order to extend their investment programme.

2 . Investment Amounts

The minimum investment is £10,000. Lesser amounts may be accepted by the Investment Manager at its discretion. The maximum investment per annum is £100,000 for SEIS investments and £2m for EIS investments as stipulated by HMRC.

3 . Eligibility & Suitability

The Fund is permitted to accept investment from all professional and retail clients who understand the risks of investing in SEIS and EIS products. However, the Investor should consider an Investment in the Fund as a longer term investment, and Investments made by the Fund are considered to be illiquid.

It may be that individual circumstances make the Fund unsuitable for an investor. The Investment Manager and Nova therefore recommend that any potential investor seek advice from their qualified financial advisor before making any investment decision.

4 . Who is the Nova Cofoundry SEIS & EIS Fund Suitable For?

This opportunity would be suitable for UK tax-paying investors who want direct access to the fast growing and constantly evolving technology sector, have a high tolerance of risk, are looking for a longer-term investment and whose personal circumstances allow them to take advantage of the tax reliefs available under the SEIS and EIS, such that they are able to benefit from the income tax relief and/or defer capital gains, for example:

- An investor who has sufficient income tax liability to claim the 50% income tax relief under the SEIS or claim the 30% income tax relief under the EIS.
- An EIS investor wishing to defer a taxable capital gain.
- An investor wishing to defer a capital gain, but who also has sufficient income tax liability to claim the 50% income tax relief under the SEIS or claim the 30% income tax relief under the EIS.

Investors should note that the assets to be held by the Fund will be shares in small unquoted companies (with accompanying high risk) and that they are unlikely to have access to their capital for at least three years from the date of application. The anticipated holding period is six years.

Please note that investors need to be able to make their own investment decisions and should seek professional independent advice prior to investing in the Fund. Neither the Investment Manager nor the Investment Advisor can provide advice on the suitability of the opportunity presented.

5 . Costs & Fees

The goal of the Fund is to maximise the allocation of shares in each company the Investor invests in and, in turn, the Investor will receive full tax relief on the Investment. To this end, fees will be charged to the Investee Company post Investment and not prior to Investment.

a Facilitation of financial advisor remuneration

For advised sales made via a FCA authorised financial advisor, advisor remuneration can be met by an advisor facilitation charge paid to that advisor by Nova, subject to a maximum 3% fee of the subscription amount, upon express permission received by the Investment Manager from the Investor. Please note that for applications made via the Nova Investor Portal, the intermediary facilitation charge will be paid to the advisor by Nova and will not be deducted from the investor's subscription.

For non-advised sales made via an FCA authorised financial advisor, where no advice is given, advisor remuneration may be met by an intermediary facilitation charge subject to a maximum 2% fee of the subscription amount, upon express permission received by the Investment Manager from the Investor. Please note that for applications made via the Nova Investor Portal, the intermediary facilitation charge will be paid to the advisor by Nova and will not be deducted from the Investor's subscription.

b Corporate advisory & arrangement costs

The Investment Advisor will charge the Investee Companies a corporate advisory and arrangement fee of up to 5.0% of funds invested in that Investee Company.

c Annual maintenance fee

An annual maintenance fee of 2% of the funds invested in an Investee Company will be paid to the Investment Advisor by each Investee Company on an annual basis. From this fee, the Investment Advisor will pay certain operating costs of the Investee Company including the ongoing monitoring of each Investee Company and the Investment Manager fees.

d Performance incentive fee

The Investment Advisor and the Investment Manager will receive an incentive fee of 20% of the amount of cumulative total cash returned to the Fund by each portfolio of Investee Companies into which the investor's monies have been invested in excess of 150% of the amount of funds invested in the respective portfolio. For clarification, once the Investor has received in cash the first 150 pence per 100 pence invested (ignoring any tax relief), any additional distributable cash will be paid as to 80% to the Investor and 20% to the Investment Advisor and Investment Manager (the 20% will be split 80% to the Investment Advisor and 20% to the Investment Manager). This is intended to align the interests of the Investment Advisor and Investment Manager with those of the Investors and the incentive fee will therefore only become payable if the total cash returned to Investors exceeds the amount of initial capital invested by 50% or more.

6 . Reporting & Valuations

The Custodian will produce and upload statements to investors' online accounts bi-annually in April and October with April's being an annual statement rather than a quarterly one. These statements will contain details of all Investments in the Investors participation in the Fund.

7 . Liquidity

In order to benefit from the tax advantages available under SEIS and EIS, the Investor must hold the qualifying shares for a minimum period of three years (for inheritance tax purposes, BR-qualifying assets for two years at time of death). Therefore, any amounts realised from the qualifying assets during the three year period will not be eligible for full relief and may be subject to taxation.

8 . Right to Cancellation

An Investor may exercise a right to cancel his or her Subscription and terminate the Investor Agreement by notification in writing to the Manager at 28 Deramore Park, Malone, Belfast, BT9 5JU within 14 days of the Investment Manager's acceptance of the Investor's Application Form.

On exercise of the Investor's right to cancel, the Investment Manager will refund any monies paid to the Fund by the Investor, less any charges the Investment Manager has already incurred for any services undertaken in accordance with the Investor Agreement and less any fees paid by Investee Companies that will be required to be refunded to those Companies (if applicable and as appropriate).

Monies will only be returned to the Investor after satisfactory completion of checks by the Investment Manager under the Money Laundering Regulations 2017 (as amended). The Investor will not be entitled to interest on monies refunded following cancellation for the period between receipt in the Custodian's client bank account and the day upon which the monies are refunded.

9 . Regulatory & Compliance

The Fund is not a distinct legal entity and is not a Collective Investment Scheme as defined in section 235 of the Financial Services and Markets Act 2000.

For legal and tax purposes (and as typical with such funds) the Investor will be the beneficial owner of the shares in the Investee Company. The Nominee will be the registered holder of all investments in the Fund.

The Fund is structured as a HMRC unapproved fund. The Fund is treated as an alternative investment fund in accordance with the EU Alternative Investment Fund Managers Directive. The Investment Manager has been authorised to act as manager of alternative investment funds.

The Fund will be the professional client of the Investment Manager for the purposes of determining which provisions of COBS will regulate the obligations owed by the Investment Manager to Investors in common, who accordingly, will not be treated, on an individual basis, as clients of the Investment Manager for regulatory purposes.

Whilst Sapphire Capital Partners LLP is authorised and regulated by the FCA, the Fund is categorised by the FCA as an alternative investment fund and so participation in the Fund is not covered by the Financial Services Compensation Scheme. For further information please contact Sapphire Capital Partners LLP, or the FSCS directly at www.fscs.org.uk. or by writing to the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU.

Applications may be made by Investors directly to the Fund by completing the Application Form (Private Investor) provided, such applicant fulfils the COBS rules appropriateness requirements in respect of the investment as assessed by the Investment Manager.

Applications may be made through financial advisors providing advice who, as required by the COBS rules, will comply with the COBS suitability rules in respect of the investment. Such financial advisors will complete the Application Form (Financial Intermediary).

Applications may be made by execution-only

intermediaries by completing the Application Form (financial intermediaries). Such intermediaries may distribute this document to their clients and subject to compliance with the COBS appropriateness rules (COBS rule 10) to high net worth individuals (COBS rule 4.7.7(2)(a), certified and self-certified sophisticated investors (COBS rule 4.7.7(2)(b) and (c) and restricted investors (investing only 10% of their assets in non-readily realisable securities: COBS rule 4.7.7(2)(d).

10 . Close Date

A date determined by the Investment Manager as the final date upon which an Investor may make a Subscription in the Fund. The Fund has an evergreen structure, which means that it will accept investments at any time while it remains open. This is subject to change at the Investment Manager's absolute discretion. This also means that the Fund has no maximum fund size.

Please note that Investors who invest in the Fund later may not always be invested in the same Investee Companies as earlier Investors. Therefore, Investors may not hold shares in all the Investee Companies in which the Fund invests, and earlier Investors will have different portfolios from later Investors. If an Investor contributes more than once to the Fund and such further Subscriptions fall across two or more dates in which Fund has invested or three or more dates, these further Subscriptions shall be regarded as separate portfolios of the Investor within the Fund.



Risk Factors

You should only invest in the Fund if you have financial security independent of any investment made. The value of shares purchased in the Investee Companies, and any income derived, may fall as well as rise and Investors may lose all capital invested. Past performance is not a guide to the future. Investing in SEIS and EIS companies is considered to be very HIGH risk.

Potential investors should be aware that tax rules are subject to change at any time and the current tax reliefs described in this document may not be available in the future. The Investment Advisor will undertake regular due diligence, as far as practical, on the Investee Companies and take reasonable steps to ascertain if Investee Companies are SEIS or EIS qualifying. However, the Investment Advisor and Investment Manager does not guarantee that all investments made will qualify or continue to qualify for SEIS or EIS. The Investment Advisor and Investment Manager also does not guarantee the timescale for fully investing portfolios, or that Subscriptions will be fully invested at all times in the future.

For the avoidance of doubt, the risk factors contained in this section are not exhaustive. Additional risks and uncertainties relating to the Investee Companies that are not currently known to the Investment Advisor, or that the Investment Manager currently deems immaterial, may also have an adverse effect on the Investee Companies' businesses, financial condition, operating results or share price. The list of risk factors below are based upon their determination of what may be most significant to a prospective investor. However there may be risks which are currently not known or in the opinion of the Investment Manager and Investment Advisor considered to be immaterial. Such risks may materialise at a later stage and may significantly impact the performance of the Fund.

Investing in early stage technology companies carries a number of key risks may negatively impact the performance of the Investee Companies and the Fund overall. Such risks are commercial risks (failure to commercialise products), licensing risk, competition, loss of key customers, reputational risks, limited resources, regulatory risks, patent risk, intellectual property risk, product liability risk, failure to reach sufficient market acceptance, lack of operating history. Any product may fail to offer material commercial advantages over other products, third party risk, distribution, solvency risk or pricing risk. Third parties may fail to provide the Investee Companies with sufficient quantities of

product or fail to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance. Small companies usually depend on the success of single products and formulas and therefore any revenue stream will be concentrated. Changes in economic and political conditions including, for example, interest rates, rates of inflation, industry conditions, tax laws and other factors can substantially and adversely affect equity investments in general and the Investee Companies' prospects in particular. Intellectual property rights do not necessarily address all potential threats to the Investee Companies' competitive advantage.

Any new product, formula or technology carries very high risk of failure in the market.

1. Risks Relating to Returns

- Assumptions, projections, intentions, illustrations or targets included within this Information Memorandum cannot and do not constitute a definitive forecast of how the investments will perform but have been prepared upon assumptions which the Investment Advisor and Investment Manager consider reasonable.
- The SEIS or EIS qualifying status of investments made by the Investment Manager is dependent on the Investment Advisor being able to identify appropriate SEIS or EIS qualifying Investee Companies which carry on, and continue to carry on, a permitted activity for SEIS or EIS purposes. There is no guarantee that the Investee Companies will perform as anticipated.
- The value of Investee Companies shares may go up or down. An Investor may lose some or all of their investment. The past performance of the Investment Manager is not a guide to the future performance of the investments made through the Fund.
- Within the Fund, the Investment Manager intends to invest in SEIS and EIS qualifying companies deploying capital across a range of opportunities. This approach is intended to help mitigate the performance risk exposure for the Investors on an individual project or counterparty and to increase the chances of the Investee Companies generating growth for Investors. If the availability of suitable deployment opportunities for Investee Companies to deploy their capital is limited, the opportunities for diversification may be reduced.

- A total financial failure of an Investee Company may lead to a substantial or total loss of the capital invested in the Investee Company. Intellectual property rights are a key component for the commercialisation of any product and the protection of such intellectual property rights is complex and difficult to achieve internationally. The Investee Companies may not have the financial resources to defend their intellectual property rights against other companies who have breached such rights.
- Each Investor should note that it is possible that other taxes or costs may be suffered by the Investor in connection with his or her investments that are not paid via, or imposed by, the Investment Manager.
- Where there is insufficient liquidity within Investee Companies or limited opportunities for the transfer of shares, the process for providing liquidity to Investors could take several months or years. Investor's will not have any access to capital during the period in which their Investment is invested in Investee Companies.
- The Investee Companies are exposed to a number of risk factors that may impact their financial performance. These factors include but are not limited to commercial risk, counterparty credit risk, project risk and interest rate risk.
- Investors should note that past performance is no guide to future performance.
- This Information Memorandum provides details of projected targeted returns and performance that may not be achieved by the Fund.
- Tax relief may be withdrawn in certain circumstances and the Investment Manager does not accept any liability for any loss or damage suffered by any Investor or other person in consequence of such relief being withdrawn or reduced. Tax law is complex and Investors should seek independent tax advice.

3 . Risks Relating to SEIS & EIS

- If an Investee Company ceases to carry on an appropriate activity for SEIS and EIS purposes, the qualifying status of the Investee Company shares may be adversely affected. While the Investment Manager will require various safeguards to be provided against this risk, the Investment Manager cannot guarantee that all shares in Investee Companies will continue to qualify for SEIS or EIS throughout the life of the Investment.
- It cannot be guaranteed that SEIS or EIS will be available or will continue to be available, in respect of each Investment made by the Investment Manager nor whether each Investee Company will meet the qualifying provisions in advance of any investment being made by the Investment Manager.
- If an Investee Company fails to meet the SEIS or EIS qualification requirements, a liability to tax may arise on the subsequent transfer of the relevant shares. Not all Investee Companies may qualify under HMRC for SEIS or EIS relief and circumstances may change.
- If a sale of SEIS and EIS Shares takes place or the Investee Company fails to meet the SEIS and EIS qualification requirements at any time during the period commencing when shares are issued to SEIS and EIS Investors and ending three years from the date of issue or three years from commencement of trading, if later, some or all of the SEIS and EIS tax reliefs may be withdrawn.

2 . Risks Relating to Taxation

- This Information Memorandum is prepared in accordance with the Investment Manager's interpretation of current legislation, rules and practice. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any such changes, and in particular any changes to the bases of taxation, tax reliefs, rates of tax or the Investor's tax position, may affect the return Investors receive from the Fund.
- The tax benefits described and their value to an Investor are dependent on the Investor's personal circumstances.
- Therefore, these tax benefits may not be available to all Investors and/or may be lost by Investors in certain circumstances.

4 . Forward-Looking Statements

This Information Memorandum includes statements that are (or may be deemed to be) “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology including the terms ‘seeks’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘would’ or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Information Memorandum based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under applicable laws and regulations, the Investment Manager undertakes to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

5 . Risk Relating to Fund & Investee Company Performance

The performance of the Fund is dependent on the ability of the Investment Manager as advised by the Investment Advisor to identify appropriate Investee Companies which qualify and will continue to qualify for SEIS and EIS relief and on the ability of the Investee Companies and their management teams to perform in line with their respective business plans. The ability of the Investment Advisor to identify suitable investment opportunities will depend upon the services of its key personnel and accordingly the loss of the services of these key persons could have a material adverse effect on the performance of the Fund’s investments. There is no mechanism to remove or change the Investment Advisor and Investment Manager of the Fund other than by way of termination of the Investor’s Agreement. The Fund should therefore be considered a captive investment and an Investor should assume that any investment in the Fund will be managed by the Investment Manager until realised.

Investee Companies may fail, and investments in Investee Companies may be realised for substantially less than the acquisition cost or may be impossible to realise at all. Investee Companies may accept other equity or debt capital which ranks higher than the Fund’s investment, potentially diluting the shareholdings of the Fund.

6 . Risk Related to Doing Business Internationally

The Investee Companies may provide services and products to customers in foreign countries. As a result the Investee Companies businesses are subject to certain risks inherent in international business, many of which are beyond their control. These risks include changes in local regulatory requirements, changes in the laws and policies affecting trade, currencies, investment and taxes, differing degrees of protection for intellectual property, instability of foreign economies and governments. Any of these factors could have a material effect on the Investee Companies.

7 . Commercialisation & Regulatory Risk

The success of the Investee Companies depends heavily on the successful development, regulatory approval and commercialisation of any lead product, formula or technology. Obtaining regulatory approval for marketing of any product or formula or technology in one country does not ensure the Investee Company will be able to obtain regulatory approval in other countries, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries. Failure to obtain regulatory approval will negatively impact any investment. Investee Companies may fail to obtain sufficient funding to re-apply for approval or to change their products. Any regulatory approval may be limited to a certain functionality or application and may be withdrawn by a regulator or governmental institution. Legal costs may be much higher than originally planned. Furthermore, even if companies obtain regulatory approval, commercial success will depend on how successfully they are able to address a number of challenges, including the following:

- Development of the commercial organisation and establishment of commercial collaborations with strategic partners.
- Establishment of commercially viable pricing and obtaining approval for adequate reimbursement from third-party and government payors.
- The ability of third-party manufacturers to manufacture quantities using commercially viable processes at a scale sufficient to meet anticipated demand and that are compliant with applicable regulations.

Many of these factors are beyond the Investee Companies control.

8 . Product Liability Risks

Product liability lawsuits against any Investee Company could cause any Investment to incur substantial liabilities and to limit commercialisation of any products that are developed. If Investee Companies cannot successfully defend themselves against claims that product candidates or products caused injuries, the Investee Companies will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in decreased demand for any product candidates or products or technologies, injury to reputation and significant negative media attention, significant costs to defend the related litigation, substantial monetary awards to patients, or loss of revenue.

9 . Intellectual Property

The Investee Companies may have inadequate funds to fully protect their intellectual property whether by registrations throughout the world or by bringing actions against third parties to defend and protect their rights. Third parties could claim Investee Company's technologies or products, infringe or misappropriate their proprietary rights. Investee Companies may not have the resources to resist such claims notwithstanding the contrary being the position due to the costs and complexity of the litigation.

10 . Custody Risk

Your cash and assets deposited with, and held by the Custodian, shall be held at Investors' risk and neither the Investment Manager, the Custodian nor the Investment Advisor (including their respective directors, shareholders, partners, officers, employees, agents or advisors), will be liable to any Investor in the event of insolvency of the bank in which your cash and assets are held, nor in the event of any restriction on the Custodian and Investment Manager's ability to withdraw funds from such bank for reasons beyond their reasonable control.

11 . Risks Relating to Performance of the Investment Manager, the Investment Advisor & Key Persons Risks

The performance of the Fund is dependent on the ability of the Investment Advisor to source suitable early-stage technology businesses. The viability of these businesses will also, to a large degree, depend on the skills and experience of the Investment Advisor and the relationships it has forged with prospective management teams and intermediaries.

As such, were a key partner, consultant or employee of the Investment Advisor to leave, this might reduce the pipeline of possible opportunities in which the Fund can invest and also the smooth-running of the Investee Companies businesses in which the Fund has already invested.

The development of small companies depends on a small number of key people who have key personal relationships and business critical expertise. It is not guaranteed that such key people will stay with the Investee Companies during the period of investment. Their departure may have a significant impact on the future development of the Investee Company. An adequate replacement may not be found. A departure of one or more of the key members of the Investment Manager or the Investment Advisor may have a significant impact on the ability of the Investment Manager and Investment Advisor to respectively manage and advise the Fund. It may not be possible to replace such an individual either with a suitably qualified replacement, or at all.

12 . Economic & Political Risks

As a result of the United Kingdom's decision to leave the European Union, and as a result of the COVID-19 World Health Organisation declared pandemic, there may be a period of uncertainty and a potential economic downturn or recession. Any uncertainty and downturn or recession in the economy of the United Kingdom or in the economy of a country trading with the United Kingdom may have an adverse impact upon the prospects of the Investee Companies and therefore negatively impact the investment made by Investors.



Taxation

1. Tax Treatment

The tax treatment and regulatory environment for the Fund, and SEIS/EIS investments in general, may change from time to time depending on governmental and regulatory priorities and circumstances. There is no guarantee that the expected SEIS and/or EIS reliefs will always be available in the form expected. It is possible that some or all of the expected reliefs are withdrawn by the Government, potentially retrospectively. In particular, the Government and HM Revenue & Customs have been taking steps recently to tighten the regulations in relation to SEIS and EIS investments which seek to provide capital protection and to remove SEIS and EIS benefits from some such investments.

There are circumstances in which an Investor could cease to qualify for the taxation advantages offered by SEIS and EIS. For example (and without prejudice to the generality) Capital Gains Deferral relief could be lost if an Investor ceases to be resident or ordinarily resident in the United Kingdom during the three year minimum holding period. In addition, an Investor could cease to qualify for income tax relief if he receives value from one of the Investee Companies during the period beginning one year before the shares in the Investee Companies are issued and ending on the conclusion of the three year minimum holding period. Payment of a dividend, however, would not typically be regarded as a receipt of value as long as the dividend is derived from commercially-originated distributable earnings.

If an Investee Company ceases to carry on business of the type prescribed for SEIS and EIS Qualifying Companies during the three year period, this could prejudice its qualifying status under the SEIS and EIS. If an Investee Company does not comply with the rules in relation to utilisation of the invested funds with the applicable time limits then this again could prejudice its qualifying status under SEIS or EIS.

The consequences of either the Investor or the Investee Company ceasing to qualify for SEIS or EIS purposes could include withdrawal of any tax reliefs already received by an Investor (including repayment for example of any income tax relief to HMRC) and the loss of any future SEIS or EIS reliefs.

The primary tax advantages available to Investors are SEIS and EIS tax reliefs, whereby fund returns may be enhanced subject to the personal circumstances of each Investor.

The main shared SEIS and EIS tax advantages are:

Tax free capital gains

There is no capital gains tax liability on gains on the disposal of shares which have been held for at least three years on which SEIS or EIS income tax relief has been obtained.

100% inheritance tax exemption

Through the availability of Business Relief, there may be 100% inheritance tax exemption on the death of the Investor (or on certain lifetime transfers) for each individual investment that has been held for at least two years.

Loss relief

A loss on any qualifying investment in the portfolio, irrespective of the overall performance of the portfolio, can be offset by individuals against income of the tax year of the loss, or of the previous year, or against capital gains of the tax year of the loss and future years.

The main SEIS tax advantages are:

50% income tax relief

Income tax reduction equal to 50% of the amount invested (claims limited to investments of £100,000 per annum). An Investor can opt to treat an investment as having been made in the previous tax year, in whole or in part, such that the tax reduction is available against income tax payable in that year rather than in the year of investment.

Capital gains tax exemption

Reinvestment relief available to provide exemption for other capital gains made in the year of up to 50% of subscriptions on which SEIS relief is claimed.

The main EIS tax advantages are:

30% income tax relief

Income tax reduction equal to 30% of the amount invested (claims limited to investments of £2m per annum providing £1m is in knowledge intensive companies). An Investor can opt to treat an investment as having been made in the previous tax year, in whole or in part, such that the tax reduction is available against income tax payable in that year rather than in the year of investment.

Capital gains tax deferral relief

Capital gains tax deferral of gains on the sale of other assets up to the value of EIS investment's made within one year before or three years after the date of the disposal of the assets which give rise to the gain.



Operation of the Nova SEIS & EIS Fund

1. Administration & Custody

The function of the Custodian will be to perform administrative and custodian services, which are conferred upon it by the terms of the Custodian Agreement. The Custodian will also act as the Nominee and will perform the nominee services.

By completing the Application Form, prospective Investors will, inter alia, be deemed to have irrevocably agreed to the Investment Manager having appointed the Custodian on behalf of Investors, to exercise the powers, and to carry out duties, on behalf of the Investors in accordance with the provisions of the Custodian Agreement, certain provisions of which are summarised below. Investors should note that the following does not summarise all the provisions of the Custodian Agreement. A link to the agreement is provided [here](#). Investors are strongly recommended to review the terms and conditions before investing.

Shares will be issued in the name of the Nominee and will be treated as if they were subscribed for and issued to the Investors who will retain beneficial ownership over them. All documents of title will be held by the Nominee.

Under the terms of the Custodian Agreement, the Custodian will:

- Hold funds arising from Investor Subscriptions in a bank account pending investment in Qualifying Shares.
- Deploy funds on the instructions of the Investment Manager acting in accordance with the Investor Agreement.
- Appoint the Nominee to acquire the Qualifying Shares and hold the corresponding shares and share certificates in its name.
- Act in compliance with applicable law and FCA rules.

The Custodian will be authorised to:

- Buy, sell, retain, convert, exchange or otherwise deal in the Investor's Shares upon the instructions of the Investment Manager.
- Exercise voting and other shareholder rights in relation to the Investor's Shares upon the Instructions of the Investment Manager.
- Carry out such other acts and deeds which are in its reasonable opinion necessary or reasonably incidental to its appointment as a Custodian, acting in compliance with ITA, IHTA, FSMA and the FCA Rules as applicable.

2. Conflicts Policy

Nova Growth Capital Limited, as Investment Advisor, may approve an investment in an SEIS/EIS-qualifying company in which members of the Nova team may have a commercial interest. The Investment Manager shall take steps necessary to ensure that such decisions are taken fairly and without reference to that commercial interest.

The Investment Manager acts and will continue to act as the investment manager, operator, agent and/or investment advisor to various other new and existing clients which are involved in the financing or management of opportunities in the technology, life sciences and renewable energy sectors. Projects may therefore arise that are suitable for the Investee Companies, or one or more other clients of the Investment Manager (both current and future).

The Investment Manager will seek in its absolute discretion to ensure that any suitable projects are allocated fairly between such other clients of the Investment Manager in accordance with the conflicts policies of the Investment Manager from time to time and without prejudice to the Investment Manager's obligations to the Investors. A summary of the Investment Manager's policy for managing conflicts of interest is available on request.

There may be circumstances in the future, where the Investment Manager might enter (or propose to enter) into contracts, transactions, arrangements or investments in connection with Investee Companies invested in by the Investment Manager or may otherwise be directly or indirectly interested in contracts, transactions, arrangements with, or investments by, the same. Such circumstances (if they occur) will be managed in accordance with any requirements under applicable laws and regulations.

3 . Frequently Asked Questions

Who should invest in the Nova Cofoundry SEIS & EIS Fund?

The Fund would be suitable for UK tax-paying investors who want access to the fast-growing UK early-stage technology sector, have a higher tolerance of risk, are looking for a longer-term investment and whose personal circumstances allow them to take advantage of the SEIS and EIS Reliefs, such that they are able to benefit from the income tax relief and/or defer capital gains.

Who owns the investments I make via the Nova Cofoundry SEIS & EIS Fund?

In order for your investment in the Fund to qualify for SEIS and EIS Reliefs, it is a requirement of HM Revenue and Customs that individual Investors are the beneficial owners of the shares. However, to enable efficient administration and prompt settlement of transactions, we recommend that the shares that you beneficially own be registered in the name of the Custodian or its nominee company which will hold them on your behalf.

How do I check on the progress of my investment in the Nova Cofoundry SEIS & EIS Fund?

You will be sent contract notes, by post, every time we buy or sell any investments on your behalf in the Fund. In addition, you will be sent a formal portfolio valuation and portfolio review twice per year, or more regularly if you wish. You will also be sent a consolidated tax voucher at the end of each tax year.

What is the minimum amount I can invest?

The minimum investment in the Fund is £10,000. The maximum investment per investor per annum is £2,100,000.

How long do I have to wait before I am eligible for SEIS & EIS reliefs?

Shares that are eligible for SEIS and EIS reliefs must be held for a minimum of three years in order to be eligible for the full tax advantages available under SEIS and EIS. After this period, the portfolio may continue to benefit from the exemption to inheritance tax.

When will I receive the SEIS3 and EIS3 certificates for my investment?

Nova expect but cannot guarantee to deliver all SEIS3 and EIS3 forms by the end of October in the tax year following that of your investment.

What happens to my investment after I die?

Provided the Fund has been invested in Investee Companies that are eligible for Business Relief for at least two years, the prevailing market value of these holdings will be exempt from IHT. Normally a claim will be made by your executor(s) after your death to confirm eligibility for Business Relief. On the instruction of your executor(s) we will, if requested, realise your investment as soon as possible, or continue to manage some or your entire Investment on behalf of your beneficiaries. If the qualifying company shares are transferred to a surviving spouse or civil partner, your period of ownership will pass to them, thereby preserving the Business Relief if the portfolio is retained. Should the Investor die within two years of Investment, the portfolio can be transferred to a surviving spouse/civil partner without restarting the qualifying period. If this is not possible, the investment will not benefit from IHT relief.

Will I have to pay the initial fee or the annual management fee?

No, any initial fee and annual management fee is payable by the Investee Companies. Therefore, up to 100% of your investment may be allocated, thus maximising the tax efficiency of your investment.

How do I apply?

You should first review the Key Information Document and this Information Memorandum and in particular the section on suitability and risks. You also need to review the Investor Agreement and the Application Form. If in doubt about the suitability of this product, you should consult your IFA, tax or other professional advisor. You should then complete the Application Form and Client Suitability Form and send it, with your subscription cheque, to:

Nova Growth Capital Limited
17 Boundary Street
Liverpool
L5 9UB.

What happens to my money when it is waiting to be invested?

During this time your money is held in a client money account with trust status maintained by the appointed Custodian.

Can the Investment Manager facilitate the payment of advice fees to my financial advisor?

The Investment Manager is able to facilitate the payment of any initial advisor charge arising in connection with this investment where the Investor has directed the Investment Manager to do so on the Application Form.

When do I get my SEIS & EIS income tax and CGT tax advantages?

Tax advantages can be claimed when investments are made into underlying Investee Companies, rather than when you make an initial subscription to the Fund.

How do I claim my SEIS and EIS tax advantages?

If you are eligible for SEIS and EIS tax advantages we will deliver to you an SEIS3 or EIS3 certificate following each investment into an Investee Company. This certificate can be used to claim your income tax, capital gains tax and inheritance tax reliefs. If you prefer, we can arrange for these certificates to be sent directly to your accountant or advisor for ease of administration.



Investor Agreement

This Investor Agreement (“the Agreement”) sets out the agreement between the Investment Manager and the Investor in relation to the discretionary investment management service to be carried out on the Investor’s behalf by the Investment Manager, which when aggregated with the Agreements entered into by other Investors and the Investment Manager constitute the Fund. Once a signed Application Form has been accepted by the Investment Manager, this Agreement will constitute a binding agreement between the Investment Manager and the Investor.

1. Definitions

1.1. In this Agreement, unless the context otherwise requires, the following words have the following meanings:

Act	Means the Financial Services and Markets Act 2000.
Applicable Laws	All relevant UK laws, regulations and rules, including those of any Government or of the FCA.
Application Form	An application form to invest in the Fund completed by an Investor in the form provided by the Investment Manager.
Business Day	Means any day (except Saturday and Sunday) on which banks are open for normal banking and foreign exchange business in London.
Closing Date	In respect of the Fund, the final date on which the Subscriptions may be made by an Investor to the Fund, which shall be determined by the Investment Manager. The Fund has an evergreen structure, which means that it will accept investments at any time while it remains open. The final Closing Date is subject to the Investment Manager’s absolute discretion.
Custodian	Mainspring Nominees Limited and/or such other person or persons as may be appointed as custodian or as a sub-custodian for the Fund from time to time by the Investment Manager.
EIS	Enterprise Investment Scheme.
EIS Reliefs	Relief from certain UK personal taxes under the EIS.
FCA	Means the Financial Conduct Authority of the United Kingdom.
FCA Rules	The rules contained in the FCA’s Handbook of Rules and Guidance.
Fund	Nova Cofoundery SEIS & EIS Fund, a discretionary investment management service managed by the Investment Manager as described in this Information Memorandum. The Fund is not a legal entity and is a group of individual bare trusts to enable subscription monies to be held on behalf of Investors under a nominee arrangement; each Investor will be the sole beneficiary of a bare trust, the trusts to be known collectively as the Fund. The Nominee is the registered legal holder of Investments on behalf of each Investor.
Investee Company	Means a company in respect of which the Investment Manager has made an Investment.

Investment	Means any equity investment in an Investee Company made by the Investment Manager on behalf of the Investor.
Investment Objective	The investment objective for the Fund as described in this Information Memorandum.
Investment Restrictions	Any and all investment restrictions as described in this Information Memorandum.
Non Readily Realisable Investments	Investments in which the market is restricted or could become so; such Investments can be difficult to deal in and it can be difficult to determine what would be a proper market price for them.
Professional Client	Means a Professional Client for the purposes of the FCA rules.
Readily Realisable Investment	A government or public security denominated in the currency of the country of its issuer or any other security which is: admitted to official listing on an exchange in an EEA State; or regularly traded on or under the rules of such an exchange; or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange; or a newly issued security which can reasonably be expected to fall within the aforementioned categories when it begins to be traded. For the avoidance of doubt, this term does not include AIM, nor does it include unlisted securities.
Relevant Shares	Shares in which the Fund has invested if and for so long as neither a claim for EIS tax relief made in accordance with chapter 5, part 5 of the ITA has been disallowed nor an assessment has been made pursuant to Section 235 of ITA withdrawing or refusing relief by reason of the company in which the shares are held ceasing to be a Qualifying Company.
Retail Client	Means a Retail Client for the purposes of the FCA rules.
IFA	An Independent Financial Adviser or other appropriately qualified professional, regulated by the FCA for the conduct of business. The IFA is responsible for the client.
Services	The services as set out in Clause 5.
SEIS	The Seed Enterprise Investment Scheme.
SEIS Reliefs	Relief from certain UK personal taxes under SEIS.
Schedule	Means a schedule to this Agreement.

1.2. References to statutory provisions, regulations, notices or the FCA Rules shall include those provisions, regulations, notices or FCA Rules as amended, extended, consolidated, substituted or re-enacted from time to time.

1.3. References to the terms “include”, “including”, “in particular” and any similar phrases shall be construed without limitation to the preceding words.

1.4. References to persons include individuals, bodies corporate, unincorporated associations and Investors.

1.5. Words in the singular include the plural and vice versa.

1.6. Unless a term is otherwise defined in this Agreement, the terms defined in the FCA Rules and Information Memorandum shall bear the same meaning herein.

1.7. References to Clauses are to Clauses of this Agreement and headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.8. References herein to a party are to any party or together the parties to this Agreement, as the context may require.

1.9. The Schedules form part of this Agreement.

2 . Investing in the Fund

2.1. This Agreement will come into force on the date that the Investment Manager accepts the Investor's Application Form and monies are subscribed to the Fund, such acceptance being solely at the discretion of the Investment Manager.

2.2. This Agreement appoints the Investment Manager to act on the Investor's behalf to make Investments in Qualifying Companies and to manage those Investments on behalf of all Investors in the Fund within the Fund collectively. The Investment Manager agrees to accept its appointment and obligations on the terms set out in this Agreement.

2.3. The Investment Manager is an authorised person for the purposes of the Act and as such is regulated by the FCA. The Investment Manager is a limited liability partnership registered in Northern Ireland under registered number NC000562 and with a registered address at 28 Deramore Park, Belfast BT9 5JU Northern Ireland. The FCA's registered address is 12 Endeavour Square, London E20 1JN.

2.4. This Agreement is supplied to the Investor in English and the Investment Manager will continue to communicate with the Investor in English for the duration of this Agreement.

2.5. Except as expressly provided in this Agreement, or as the Investment Manager may be otherwise authorised, the Investment Manager has no authority to act for or represent the Investor.

2.6. For the purposes of the FCA Rules the Fund as a whole will be the client of the Investment Manager and not the Investor.

2.7. If the Investor is classified as a Retail Investor by their IFA, then the Investor has the right to request a different client categorisation. However, if the Investor does so and if the IFA agrees to such categorisation the Investor will lose certain protections provided by certain FCA rules.

This may include, but may not be limited to:

2.7.1. the Investment Manager is entitled to make the assumption that the Investor has the necessary level of experience and knowledge to understand the risks involved in relation to any investment, service, product or transaction contemplated by the Information Memorandum;

2.7.2. if the Investment Manager was to manage client assets, the Investment Manager would be obliged to provide Retail Clients with more detailed information periodically. A Retail Client has a right to a statement every three months, rather than every six months for a Professional Client;

2.7.3. the Investor will not be given any of the additional disclosures required to be provided to Retail

Clients (e.g. on costs, commissions, fees and charges and information on managing investments);

2.7.4. where the Investment Manager provides the Investor with investment advice, the Investment Manager is entitled to assume that the Investor has the requisite knowledge and experience to understand the risks involved and that they are able financially to bear any investment risk consistent with their investment objectives;

2.7.5. if the Investment Manager was to hold money on behalf of a Retail Client the Investment Manager would have to notify the client of whether interest is payable (which is not required for Professional Clients); and the Investment Manager would not be able to transfer the money to a third party without notifying a Retail Client and without explaining who is responsible for that third party's actions or omissions, and the consequences where that third party becomes insolvent;

2.7.6. the FCA Rules impose detailed requirements on financial promotions directed at Retail Clients. Promotions directed at Professional Clients are simply subject to the high-level requirement that promotions are fair, clear and not misleading; and

2.7.7. where the Investment Manager places Investor's orders with third parties for execution, the factors taken into account in obtaining the best possible execution result for a Professional Client will differ from those for a Retail Client. It should be noted that Professional Clients can no longer opt out of best execution.

2.8. If the Investor is categorised as an elective Professional Client by the Investment Manager, the Investor hereby confirms that he/she has received notice of the protections that he/she may lose by virtue of his or her status as a person not categorised as a Retail Client of the Investment Manager and the fact that he/she is not a client of the Investment Manager for FCA regulatory purposes.

These may include, but may not be limited to:

2.8.1. the Investment Manager is entitled to make the assumption that the Investor has the necessary level of experience and knowledge to understand the risks involved in relation to any investment, service, product or transaction contemplated by the Information Memorandum;

2.8.2. if the Investment Manager was to manage client assets, the Investment Manager would be obliged to provide Retail Clients with more detailed information periodically;

2.8.3. the Investor will not be given any of the additional disclosures required to be provided to Retail Clients (e.g. on costs, commissions, fees and charges and information on managing investments);

2.8.4. the FCA Rules impose detailed requirements on financial promotions directed at Retail Clients. Promotions directed at Professional Clients are simply subject to the high-level requirement that promotions are fair, clear and not misleading; and

2.8.5. where the Investment Manager places Investor's orders with third parties for execution, the factors taken into account in obtaining the best possible execution result for a Professional Client will differ from those for a Retail Client. Note that Professional Clients are no longer able to opt out of best execution.

2.9. The Investor confirms that he/she is not seeking advice from the Investment Manager on the merits of any Investment into the Fund;

2.10. The Investor confirms that he/she is suitably knowledgeable of the risks associated with Non-Readily Realisable Investments and/or has been suitably advised of these risks.

2.11. The Investment Manager may retain information about the Investor and the Investor's affairs in order to confirm the Investor's identity and financial standing (amongst other things the Investment Manager may make enquiries to a credit or mutual reference agency, which may retain a record of the enquiry). The Investor agrees that the Investment Manager may do this.

2.12. Anti-money laundering regulations aim to prevent criminal property being utilised or concealed as legitimate wealth. To meet the requirements of these regulations the Investor may have to produce satisfactory evidence of their identity before their Application Form can be accepted, and from time to time thereafter. This process of identification is to assist in the prevention of crime within the financial services industry. If the Investor does not provide the information when required, the Custodian and the Investment Manager may be unable to accept any instructions from the Investor or provide them with any services.

3 . Cancellation Rights

3.1. Following receipt of an Application Form, the Custodian will write to the Investor acknowledging receipt of the application. If the Investor wishes to exercise his or her right to cancel, the Investor must notify the Investment Manager in writing within 14 calendar days of the acceptance of the application and receipt of the subscription monies by writing to the Investment Manager at its address as printed on the "Principal Parties and Advisers" page of this Information Memorandum.

3.2. If the Investor exercises their cancellation rights, the Investment Manager shall instruct the Custodian to refund any monies paid by the Investor less any charges the Investment Manager has already incurred for any service undertaken in accordance with the terms of this Agreement.

3.3. The Investment Manager shall procure that the Custodian endeavours to arrange the return of any such monies as soon as possible (but in any event, not more than 30 days following cancellation, or the completion of its anti-money laundering obligations, whichever is the later). The Investor will not be entitled to interest on such monies.

3.4. If the Investor does not exercise this right to cancel within the requisite time period, the Investor will still be entitled to exercise his or her right under Clause 15 below to terminate this Agreement, which is a separate right.

3.5. The right to cancel under the FCA Rules does not give the Investor the right to cancel/terminate/reverse any particular investment transaction executed for the account of the Investor before cancellation takes effect.

3.6. The Investor shall retain beneficial ownership of the assets in the Fund at all relevant times.

4 . Subscriptions

4.1. The Investor:

4.1.1. must make a Subscription to the Fund of not less than £10,000 (subject to the Investment Manager's discretion to accept a lesser amount) at the same time as submitting his/her Application Form to invest;

4.1.2. may make further Subscriptions up to and including the Closing Date; and

4.1.3. may not make further Subscriptions after the Closing Date without the permission of the Investment Manager.

4.2. The Investor may make a withdrawal from his/her Fund and terminate this Agreement subject to Clause 15 below.

4.3. Subscriptions received shall be deposited in an account pending their investment.

4.4. Where subscription monies are invested in Qualifying Companies, any monies transferred to the Qualifying Companies are solely in consideration for an issue of shares in the Qualifying Companies and no debt will come into existence by virtue of any payment preceding the formal issue.

5 . Services

5.1. The Investment Manager shall manage the Fund as from acceptance of each Application Form on the terms set out in this Agreement.

5.2. The Investment Manager shall manage the Fund in pursuit of the Investment Objective and approach

as set out in this Information Memorandum and subject to any Investment Restrictions as stipulated by this Information Memorandum. Subject to such Investment Objective, approach and any restrictions, the Investment Manager shall exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Agreement.

5.3. The Investor hereby authorises the Investment Manager (and grants to the Investment Manager a power of attorney) to act on its behalf and in the name of the Investor or its Nominee to negotiate, agree and do all such acts, transactions, agreements and deeds as the Investment Manager may deem necessary or desirable for the purposes of making, managing and realising Investments and managing cash funds and any other investments on behalf of the Investor and this authority (and power of attorney) shall be irrevocable and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution of the Investor. This authority (and power of attorney) will terminate upon the complete withdrawal of the Investor from the Fund.

5.4. The Investment Objective and Investment Restrictions shall not be deemed to have been breached as a result of changes in the price or value of certain Investments comprised in the Fund brought about through internal financial circumstances of the Investee Companies, market forces or movements in the market. In particular, the Investor acknowledges that the Investments are of a type that cannot easily be valued or realised and that the default period of holding Qualifying Shares will be at least three years for the Investor's protection since tax relief may be otherwise lost. The Investment Manager may however exercise its discretion to realise investments prior to this period with a consequent loss of tax reliefs.

5.5. The Investment Manager shall be responsible for negotiating and establishing all agreements or arrangements with any other third party in relation to the investment, management or custody of the assets of the Fund including, without limitation, agreements with the Investment Advisor in relation to the on-going support for the Investee Companies and in relation to the Custodian and any other prime broker or custodian in relation to the assets of the Fund, account opening documentation, and other annexes and all documents relating thereto.

5.6. The Investment Manager is authorised to give the Custodian or other third parties any instructions on behalf of the Investor which may be necessary or desirable for the proper performance of the Investment Manager's duties under this Agreement.

5.7. The Investment Manager shall, without prejudice to the generality of the foregoing, also provide the following Services:

5.7.1. the provision of written reports in accordance with the Clause 7;

5.7.2. keeping or causing to be kept such books, records and statements as shall be necessary to give a complete record of all transactions which the Investment Manager carries out for the account of the Investor, which the Investor shall be entitled to inspect on giving one month's notice.

5.8. In performing its Services, the Investment Manager shall at all times have regard to:

5.8.1. the need for the Fund to attract the SEIS and/or EIS Reliefs and any other tax advantages; and

5.8.2. all Applicable Laws.

5.9. The Investment Manager reserves the right to return a surplus of cash if it concludes that it cannot be properly invested for the Investor and it considers this to be in the best interests of the Investor having regard to availability of SEIS and/or EIS Relief for the Investor.

5.10. In the event of a gradual realisation of Investments prior to termination of the Fund under Clause 15, the cash proceeds of realised Investments may be placed on deposit or invested in government securities or in other investments of a similar risk profile. In carrying out its obligations hereunder, the Investment Manager will act in good faith, with due diligence and shall have regard to any other matter to which a prudent person should reasonably have regard to with respect to the proper discharge of its duties.

5.11. Any tax reliefs are dependent on the Investor's personal circumstances as well as the actual underlying investments made by the Fund. In providing services to the Investor, the Investment Manager and the Custodian shall not be required to take into account taxation matters and neither shall provide tax advice. Therefore and in any event, the Investor should seek independent tax advice to determine and understand the suitability of investing in the Fund and any effect that this may have on the Investor's own position generally.

6 . Terms Applicable to Dealing

6.1. The Investor should understand that the Fund will be invested in a number of unlisted securities which, there is generally no relevant market or exchange, consequent rules and customs and there will be varying practices for different securities. Transactions in relation to shares of such securities will be made on the best commercial terms which can be agreed.

6.2. Where deals are aggregated with other Investors in the Fund, the number of shares in an Investee Company held as an Investment allocated to the Investor shall be calculated with reference to the

proportion which the Investor's Subscription of the Fund applied to such share purchase bears to the total Subscriptions by all Investors in the Fund at that time, provided that Investors shall not have fractions of shares. Variations may be allowed to prevent Investors having fractions of shares but only in circumstances in which there are minor variations. (If one or more of the Investors in the Fund is an accountant, lawyer or other professional person who is subject to professional rules preventing him from making an investment in a particular Investee Company, then the number of shares so allocated to that Investor or Investors shall not be taken up for the Fund and the cash value of such shares may be returned to such Investor, such that the number of shares so allocated to other Investors in that Fund would not be increased). Investments may be made by the Fund prior to the Closing Date.

6.3. Subject to both the FCA Rules and the Investment Manager's fund management policy (at Schedule 1 of this Agreement) the Investment Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Agreement.

6.4. The Investment Manager may aggregate the Investor's transactions with those of other customers and of its employees in accordance with the FCA Rules. It is likely that the effect of such an allocation will not work to the Investor's disadvantage; however, occasionally it may do so. The Investment Manager will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FCA Rules.

6.5. Subject to both the FCA Rules and the Investment Manager's conflicts of interest policy (a summary of which is included at Schedule 2 of this Agreement) the Investment Manager may make use of dealing commission arrangements in respect of deals undertaken for the Fund as may be disclosed to the Investor from time to time.

6.6. Any option which the Investment Manager has to subscribe for shares in any Investee Company in which the Fund has invested shall not be capable of assignment except to an employee of the Investment Manager within three years from the date on which the Investment is made.

6.7. As an FCA authorised firm, the Investment Manager is required to take all reasonable steps to obtain the best possible result on behalf of clients when placing orders for execution that result from decisions by the Investment Manager. Set out in Schedule 3 is the Investment Manager's summary of its policy in respect of this requirement. Where applicable, the Investment Manager's decisions will normally be executed by the Custodian in accordance with its Execution Policy.

7 . Reports & Information

7.1. The Investment Manager shall send the Investor a report relating to the Fund every six months, in compliance with the FCA rules.

7.2. The Investment Manager shall provide further information which is under its control as the Investor may reasonably require as soon as reasonably practicable after receipt of a request from the Investor for further information.

7.3. Reports will include a measure of performance in the later stages of the Fund once valuations are available. Any statements, reports or information provided by the Investment Manager will state the basis of any valuations.

8 . Delegation

8.1. The Investment Manager may delegate, in whole or in part, any of its functions, powers, and duties under this Agreement (other than functions, powers and duties connected with the exercise of discretion in relation to any Investments) to any suitably authorised person and in connection therewith may provide information about the Fund to any such person, in which case it will act in good faith and with due diligence in the selection, use and monitoring of any such person but otherwise shall have no liability in respect of such persons.

8.2. The Investment Manager may also employ agents to perform, or advise in relation to the performance by it or, any of the Services required to be performed or provided by it under this Agreement. The Investment Manager shall act in good faith and with reasonable skill and care in the selection, use and monitoring of any agent appointed under this Clause (8) but otherwise shall have no liability in respect of its agents.

8.3. The Investment Manager may from time to time change or amend the terms of the relationship with the Custodian, including the replacement thereof and will negotiate such terms on an arm's length basis in good faith.

9 . Assignment

9.1. The Investment Manager may assign this Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to the Investor.

9.2. This Agreement is personal to the Investor and the Investor may not assign it or transfer it.

10 . Obligations of the Investor

10.1. The Investor's Fund which is established by this Agreement is set up on the basis of the declaration made by the Investor in their Application Form which includes the following statements by the Investor:

10.1.1. the fact as to whether or not the Investor wishes to seek SEIS and/or EIS Reliefs for the Investments;

10.1.2. the Investor agrees to inform the Investment Manager if, within three years of the date of shares being issued, the Investor becomes connected with, or receives value from an Investee Company which is an Investment;

10.1.3. the Investor agrees to inform the Investment Manager if the Investor is or becomes connected with any of the Investee Companies of the Fund or makes an Investment pursuant to sections 166, 167, 170 and 171 ITA 2007;

10.1.4. the Investor confirms to the Custodian and the Investment Manager that the information stated in the Application Form is true and accurate as at the date of this Agreement; and

10.1.5. the Investor will provide their tax district, tax reference number and National Insurance number to the Custodian.

10.2. The Investor must immediately inform the Investment Manager in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which clause 10.1 above refers.

10.3. The Investor will provide to the Custodian or Investment Manager all relevant information in regard to the Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standard ("CRS") and similar obligations as required.

10.4. The Investor hereby warrants and represents that:

10.4.1. they are a person of 18 years or older and personally possess sufficient knowledge, experience and expertise in financial and business matters to be capable of evaluating the merits and risks of an investment in the Fund;

10.4.2. they have read and understood the Key Information Document ("KID") and Information Memorandum and risks involved; and

10.4.3. the information provided in the Investor's Application Form (and all other respects) is true and accurate as at the date of this Agreement.

11 . Management & Custodian Obligations

11.1. The Investment Manager shall dedicate such time and attention and have all necessary competent personnel and equipment as may be required to enable it to provide the Services properly and efficiently, and in compliance with the FCA Rules.

11.2. The Investment Manager shall appoint the Custodian as agent for the Investor to act as custodian of the cash and other assets of the Fund.

11.3. The Custodian shall not be liable to the Investment Manager or to any Investor for any act or omission in the course or in connection with the proper provision of the Services rendered by it in connection with the Fund or for any loss or damage which the Investment Manager or Investor may sustain or suffer as a result or in the course of the proper discharge by the Investment Manager or any delegate of its duties in connection with the Fund, in the absence of fraud, negligence, wilful default or breach of contract directly relating to such cost, expense or liability on the part of the Custodian or any delegate.

11.4. Except as disclosed in any memorandum issued in relation to the Fund and as otherwise provided in this Agreement (for example on early termination or early redemption), the Investment Manager shall take reasonable steps to not take any action which shall prejudice the tax position of the Investor insofar as it is aware of the relevant circumstances, and in particular which may prejudice obtaining the SEIS and/or EIS Reliefs for the Fund Investments.

11.5. The Investors or the Investment Manager shall pay or reimburse the Custodian from time to time on demand for any transfer taxes payable upon transfers, exchanges or deliveries of securities made under the custodian agreement in accordance with this Information Memorandum.

11.6. The Investor indemnifies the Custodian from and against any and all direct liabilities, obligations, losses, damages, penalties, actions against the Custodian, judgements, suits against the Custodian, proper costs and expenses or disbursements (other than those resulting from fraud, negligence, wilful default or breach of contract on the part of the Custodian) which may be imposed or incurred by or asserted against the Custodian in properly performing its obligations or duties to each Fund under the Custody Agreement.

11.7. The Custodian will not co-mingle securities or other assets of the Investors with its own.

11.8. The Custodian will hold cash subscribed by the Investor in accordance with the Client Money Rules contained in CASS 7 of the FCA Rules. Such cash balance will be deposited with an authorised credit institution in a bank account (or accounts) opened and maintained in the name of the Custodian. The Custodian at the direction of the Investment Manager

may debit or credit the said account for all sums payable by or to the Investor (including dividends receivable in cash and fees and other amounts payable by the Investor). Any interest payable on credit balances in the said account will be retained by the Custodian.

11.9. The Investor acknowledges that their investments will be registered in the name of the Nominee but it will be held on trust by the Nominee and the Investor will remain beneficial owner of the investments.

11.10. The Investor has accessed the Custody Agreement via the link [here](#) and has read and understood the terms and confirms their acceptance to the terms of the Custody Agreement.

12 . Voting

The Investment Manager shall have discretion to instruct the Custodian to exercise the voting and other rights attaching to the Investments made by the Fund.

13 . Fees & Expenses

The Investment Manager shall receive fees for its Services, and reimbursements of their costs and expenses, as set out in this Information Memorandum. To the extent that any of these fees are not paid for whatever reason by the relevant Investee Company, the Investment Manager reserves the right to instruct the Custodian to deduct such fees from an Investor's Subscription awaiting investment and/or from any disposal or dividend proceeds arising from his/her Investments save that an Investor shall never be liable for more than his proportionate share of such fees by reference to the other Investors in the Fund who have had Investments made on their behalf in the same Investee Company.

14 . Liability

14.1. The Investment Manager shall not be liable in respect of any act or omission of any person, firm or company through whom transactions in Investments are effected for the account of the Investor (including the Custodian) or any other third party having custody or possession of the assets of the Investor from time to time, or of any clearance or settlement system.

14.2. The Investment Manager shall not be liable for any loss to the Investor arising from any investment decision made in accordance with the Investment Objectives and the Investment Restrictions or for other action in accordance with this Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Investment Manager or any of its employees.

14.3. The Investment Manager gives no representations or warranty as to the performance of the Fund. SEIS and EIS Investments are high risk Investments, being Non Readily Realisable Investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. Investors should consider the suitability of an Investment carefully and note the risk warnings set out in this Information Memorandum.

14.4. The Investment Manager will not be responsible for any loss of opportunity whereby the value of the Investor's Fund could have been increased or for any decline in the value of the Investor's Investments howsoever arising, except to the extent that such loss or decline is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors or employees.

14.5. The Custodian shall not be liable in the event of the insolvency of any bank with which any funds of the Custodian or Investor have been deposited, nor in the event of any restriction on the ability of the Custodian to withdraw funds from such bank for reasons which are beyond its reasonable control.

14.6. If the Custodian should fail to deliver any necessary documents or to account for any Investments, the Investment Manager will take all reasonable steps on the Investor's behalf to recover such documents or Investments or any sums due or compensation in lieu thereof but subject thereto to the Investment Manager's general duty of good faith, shall not be liable for such failure.

14.7. The Investment Manager may be separately engaged by some of the unquoted companies that the Fund will invest in to assist those companies to raise finance. The Investment Manager will receive a fee from each such unquoted company for its services.

14.8. The Investment Manager will not be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by it howsoever arising except to the extent that any such error or action (or the omission thereof) is due to the Investment Manager's negligence, wilful default or fraud or that of any of its directors or employees.

14.9. The Investment Manager shall be entitled to rely absolutely upon and shall not incur any liability (save for any liability resulting from the negligence, wilful default or fraud of the Investment Manager) in respect of any action taken or consequence suffered in good faith in reliance upon any paper or document believed to be genuine and to have been signed and sealed by the proper parties or be in any way liable for any forged or unauthorised signature or seal affixed to any document and in discharging its duties hereunder the Investment Manager may, in the absence of manifest error, rely without enquiry upon all information supplied to it by the Investor, the Custodian, the Investment Adviser or any of their respective directors,

officers, employees or agents. The Investment Manager may accept as sufficient evidence of any instructions, notice or other communication given to it by the Investor, the Custodian, the Investment Adviser or any of their respective directors, officers, employees or agents any document or paper signed or purporting to be signed on behalf of the Investor, the Custodian or the Investment Adviser or any of their respective directors, officers, employees or agents by such person or persons whose signature the Investment Manager is for the time being authorised to accept.

14.10. The Investor shall indemnify and keep indemnified the Investment Manager and the directors, officers, employees and agents of the Investment Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses (including legal expenses) which may be incurred by or asserted against the Investment Manager in its capacity as Investment Manager of the Fund other than those resulting from the negligence, wilful default or fraud on its or their part and other than expenses incurred by the Investment Manager for which it is responsible hereunder.

14.11. In the event of any failure, interruption or delay in the performance of the Investment Manager's obligations resulting from acts, events or circumstances not reasonably within the Investment Manager's control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; breakdown, failure or malfunction of any telecommunications or computer service or services; and acts of war, terrorism or civil unrest) the Investment Manager shall not be liable to the Investor for consequential loss in the value of, or failure to perform investment transactions for the account of, the Fund.

14.12. Nothing in this Agreement shall exclude or restrict any duty or liability to the Investor which the Investment Manager may have under the FCA Rules.

15 . Termination

15.1. The Investment Manager shall notify the Investor of the date on which the Fund will terminate. For the avoidance of doubt this date will be determined by the Investment Manager. On termination of the Fund, all the shares in the Investor's Fund shall be transferred into the Investor's name or as the Investor shall otherwise direct.

15.2. The Investor is entitled to withdraw his Investments to the extent those Investments comprise:

15.2.1. Qualifying Shares which are admitted to official listing in an European Economic Area state or to dealings on a recognised investment exchange, at any time after the fifth anniversary of the date the Qualifying Shares were issued;

15.2.2. other Qualifying Shares, at any time after the seventh anniversary of the date of the Qualifying Shares were issued;

15.2.3. shares other than Qualifying Shares, at any time after the end of the period of six months beginning with the date those Qualifying Shares ceased to be Qualifying Shares (and the Investor will be notified in writing as soon as reasonably practicable after any shares comprised the Investor's Investment cease to be Qualifying Shares); and

15.2.4. cash, at any time.

The Investment Manager will have a lien on all assets being withdrawn or distributed by the Investor and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging any liability of the Investor to the Investment Manager in respect of damages or accrued but unpaid fees. The balance of any sale proceeds and control of any remaining investments will then be passed to the Investor. This Agreement shall terminate upon the completion of the withdrawal from the Fund of all shares and cash which the Investor is entitled to receive under this clause 15.2.

15.3. If the Investment Manager does not give the Investor at least three months' written notice of its intention to end its role as Investment Manager under this Agreement or the Investment Manager becomes insolvent or the Investment Manager ceases to be suitably authorised by the FCA, the Investment Manager shall endeavour to make arrangements to transfer the Fund to another fund manager in which case that manager will assume the role of the Investment Manager under this Agreement, failing which the Agreement will terminate immediately and, subject to clause 16, the Investments in the Investor's Fund will be transferred into the Investor's name or as the Investor may otherwise direct.

15.4. You, as the Investor, hereby also agree that the proportion of the performance incentive fee owing to the Investment Manager (being 20% of the incentive fee, as noted in Section E – Service, Offer Details & Charges – part 5d on page 22) will survive the termination of Sapphire Capital Partners LLP as the Investment Manager.

15.5. If the Investor has been categorised as an elective Professional Client for the purposes of the FCA Rules, the Investor shall notify the Investment Manager as soon as practicable in the event that the Investor is no longer categorised as an elective Professional Client by the Investment Manager for the purposes of the provision of the services under this Agreement or the Investor no longer has the expertise, experience and knowledge to make their own investment decisions and to understand the risks involved in relation to the Fund whereupon the Investment Manager shall be entitled to terminate this Agreement.

16 . Consequences of Termination

16.1. Pursuant to clause 15 the Investment Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Agreement.

16.2. Termination of this Agreement will not affect any right intended to survive termination (such as the incentive fee) and will be without penalty or other additional payments save that the Investor will pay fees, expenses and costs properly incurred by the Investment Manager and the Custodian up to and including the date of termination and payable under the terms of this Agreement.

16.3. On termination, the Investment Manager may retain and/or realise Investments as may be required to settle transactions already instigated and to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under Clause 13 of this Agreement.

17 . Risk Warnings & Further Disclosures

17.1. The Investor's attention is drawn to the risk factors set out in this Information Memorandum.

17.2. The Investment Manager will not borrow money on behalf of the Investor, nor lend securities or enter into stock lending or similar transactions. For clarity, the Investee Companies may borrow money or enter into similar transactions.

17.3. The Investment Manager cannot require Investors to add further monies to the Fund following the Subscription.

18 . Conflicts of Interest

18.1. The Services of the Investment Manager hereunder are not to be deemed exclusive. The Investor acknowledges that the Investment Manager and its members, officers, employees or persons connected with the Investment Manager will from time to time act as director, investment manager, manager, investment adviser or dealer in relation to, or be otherwise involved in, investments and investment funds. Members, offices, employees or persons connected with the Investment Manager may personally make Subscriptions to the Fund. In respect of such positions, the Investment Manager may have similar or different objectives to that of the Investor. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Investor. The Investment Manager will, at all times, have regard in such event to its obligations to the Investor and will endeavour to ensure that such conflicts are resolved fairly.

18.2. For the avoidance of doubt, under the circumstances set out in Clause 18.1, the Investment Manager shall not be required to account for any profits earned in connection therewith.

18.3. In accordance with the FCA Rules, the Investment Manager has in place a policy to manage conflicts of interest (the "Conflicts Policy") which sets out how it identifies and manages conflicts of interest. A summary of this policy is set out at Schedule 2.

19 . Complaints

The Investment Manager has in operation a written procedure in accordance with the FCA Rules for the effective consideration and proper handling of complaints from customers. Details of this procedure are available from the Investment Manager on request. Should the Investor have a complaint, they should contact the Investment Manager. If the Investment Manager is unable to resolve the complaint to the Investor's satisfaction, the Investor may be entitled to refer the complaint to the Financial Ombudsman.

20 . Compensation

Claims against the Investment Manager may not be covered by the Financial Services Compensation Scheme (FSCS). The Fund is categorised by the FCA as an alternative investment fund and so participation in the Fund is not covered by the Financial Services Compensation Scheme. Further information about the circumstances in which the FSCS cover is available can be found on the FSCS website at www.fscs.org.uk.

21 . Applicable Laws

All transactions in Investments shall be subject to any Applicable Laws. If there is any conflict between this Agreement and any Applicable Laws, the latter shall prevail.

22 . Confidentiality

22.1. The Investment Manager is not obliged to disclose to the Investor or, in making any decision or taking any step-in connection with the investment management of the Fund, to take into consideration information either:

22.1.1. the disclosure of which by it to the Investor would or might be a breach of duty or confidence to any other person; or

22.1.2. which came to the notice of an employee, officer or agent of the Investment Manager, but does

not come to the actual notice of the individual making the decision or taking the step-in question.

22.2. the Investment Manager and the Investor shall at all times respect and protect the confidentiality of information acquired in consequence of this Agreement except pursuant to any right or obligation to or by which the Investment Manager or the Investor may be entitled or bound to disclose information under compulsion of law or pursuant to the requirements of competent regulatory authorities including, without limitation, the FCA.

22.3. Nothing in this Clause 22 shall prevent:

22.3.1. the disclosure of information by any party to its auditors, legal or other professional advisers in the proper performance of their duties;

22.3.2. the disclosure by any party of information which has come into the public domain other than through its fault or the fault of any person to whom the information has been disclosed; or

22.3.3. the disclosure of information that is authorised to be disclosed by the other party.

22.4. The Parties shall use all reasonable endeavours to prevent any breach of confidentiality under Clause 22.

23 . Notices, Instructions & Communications

23.1. Notice of instructions to the Investment Manager should be in writing and signed by the Investor, except as otherwise specifically indicated.

23.2. The Investment Manager may rely and act on any communication or instruction which purports to have been given by the Investor or by persons authorised to give instructions on behalf of the Investor under the Application Form or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated. Communications shall be sent to the Investor (whether postal or electronic) to the last address notified to the Investment Manager and shall be deemed received by the Investor on the second day after posting or on the day after dispatch in the case of electronic communication.

23.3. Communications by the Investor shall be made in writing in English to the Investment Manager, addressed to "Sapphire Capital Partners LLP," and shall be sent to:

23.3.1. address: 28 Deramore Park, Malone, Belfast BT9 5JU;

23.3.2. e-mail: boyd@sapphirecapitalpartners.co.uk; and

23.3.3. marked for the attention of Boyd Carson.

23.4. Communications sent by the Investor will be deemed received only if actually received by the Investment Manager. The Investment Manager will not be liable for any delay or failure of delivery of any communication sent to the Investor.

24 . Amendments

24.1. The Investment Manager may amend the terms of this Agreement by giving the Investor not less than ten Business Days' written notice where such change reflects changes to market practice, administration processes, computer systems or other such similar matters associated with managing the Fund.

24.2. The Investment Manager may also amend the terms of this Agreement with immediate effect by giving written notice if such an amendment is required in order to comply with HMRC requirements in order to maintain the SEIS and/or EIS Reliefs or in order to comply with the FCA Rules.

25 . Data Protection

25.1. All data which the Investor provides to the Investment Manager shall be processed by the Investment Manager in accordance with the Investment Manager's policy (as available online at <https://www.sapphirecapitalpartners.co.uk/privacy-policy> or on request) and the prevailing data protection and privacy laws is held by the Investment Manager subject to the Data Protection Act 2018.

25.2. The Investor permits that the Investment Manager and the Custodian may pass personal data:

25.2.1. to each other and to other parties insofar as is necessary in order for them to provide their Services as set out in this Agreement;

25.2.2. to the FCA and any regulatory authority which regulates them;

25.2.3. to the Investment Advisor Nova Growth Capital Limited or Investee Companies; and

25.2.4. in accordance with all other Applicable Laws.

26 . Entire Agreement

This Agreement, together with the Application Form constitutes the entire agreement between the parties relating to its subject matter and supersedes and extinguishes any prior drafts, agreements,

undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.

27 . Severability

If any term of this Agreement shall be held to be illegal, void, invalid or unenforceable to any extent, such term, shall not affect the legality, validity and enforceability of the remainder of this Agreement.

28 . Contracts (Rights of Third Parties) Act 1999

No person who is not a party to this Agreement shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

29 . Governing Law & Jurisdiction

29.1. This Agreement is governed by and shall be construed exclusively in accordance with English law.

29.2. In relation to any legal action or proceedings (whether in contract or in tort) arising out of or in connection with this Agreement, each of the parties irrevocably submits to the exclusive jurisdiction of the English courts.

SCHEDULE 1

Fund Management Policy

1. The Investment Manager shall authorise Investments

in Qualifying Companies in line with the Investment Objectives and Investment Restrictions of the Fund as set out in this Information Memorandum.

2. The Investment Manager understands that new shares in Investee Companies should be held for no less than the SEIS and/or EIS Three Year Period to obtain the benefits of the SEIS and/or EIS.

3. The Investment Manager may consider exiting an investment before the expiration of the SEIS and/or EIS Three Year Period if the growth of an investment has outperformed the market and covers any loss of tax benefit. The Investment Manager may also exit an investment if an Investee Company is the subject of a trade sale.

4. After the expiration of the SEIS and/or EIS Three Year Period, the Investment Manager will review opportunities for exiting an investment as they arise.

SCHEDULE 2

Policies to Govern Conflicts of Interest

As required by the FCA rules the Investment Manager has a policy to identify, prevent or manage effectively any conflicts of interest that may occur from its business. The Investment Manager considers:

- the conflicts that may arise between its own interests or those of persons linked to it such as employees and those of clients.
- between different clients such as different funds it manages.

This consideration extends to reviewing potential gains and incentives. A log of what types of conflicts may arise is kept and actively monitored.

The Investment Manager revises the policy on an at least annual basis, and additionally undertakes ongoing monitoring of compliance with the policy.

SCHEDULE 3

Execution Policy

1. When executing orders on behalf of Investors, the

Investment Manager is required to take all sufficient steps to obtain the best possible outcome. It is a requirement of the FCA that certain execution factors are taken into account including: price; costs; speed; likelihood of execution and settlement; size and nature of the order or any other consideration relevant to the execution of the order. The Investment Manager may give speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the Investor.

2. The Investment Manager will use its commercial judgement and experience to determine the relative importance of the execution factors. In making such a determination, the Investment Manager will consider the market information available and also take into account the execution criteria. The Investment Manager must take into account the following execution criteria for determining the relative importance of the execution factors: the characteristics of the client; the characteristics of the order; the characteristics of financial instruments that are the subject of that order and the characteristics of the execution venues to which that order can be directed.

3. The range of activities presently undertaken by the Investment Manager does not include placing orders with brokers or dealers. If the Investment Manager places orders with brokers or dealers for execution the Investment Manager will satisfy itself that the broker or dealer has arrangements set up to enable the Investment Manager to act in accordance with its best execution obligations to its clients. Specific arrangements will be set up in order that brokers will confirm that they will treat the Investment Manager as a Professional Client and will therefore be required to provide best execution.



Glossary & Definitions

The following defined terms are used throughout this document

Application Form	An application form to invest in the Fund completed by the prospective Investor.
Appointed Representative	A firm or person who runs regulated activities and acts as an agent of a firm directly authorised by the FCA.
Associate	Any person, company or other entity which by direct or indirect means exerts control over, or is itself controlled by, Nova where “control” shall include the ability to exercise significant influence over the operating or financial policies of the relevant person or entity.
Business Relief or IHT Relief	Relief from IHT pursuant to sections 103-114 of the IHTA.
Cofoundery	A form of venture building by which the cofounding organisation launches, invests and grows startups at scale by pairing externally sourced founders with its own internally employed team of startup experts and access to capital.
Cohort	A group of startup companies, or founders, that can be grouped by a specific metric such as date incorporated or active sector.
Coinvested with Nova	Invested into a company in which Nova hold an equity interest.
Custodian	Mainspring Nominees Limited, a provider of fund custodian, administration services and certain other fund services and/or such other person or persons as may be appointed as custodian or as a sub-custodian of the Fund from time to time.
Custodian Agreement	The Agreement between the Custodian and the Manager on behalf of the Investors, which governs the appointment of the Custodian.
EIS	Enterprise Investment Scheme.
EIS Qualifying Company	A company that meets the requirements for a qualifying investor to be eligible for income tax relief and capital gains tax deferral under the rules of the Enterprise Investment Scheme.
FCA	The Financial Conduct Authority, and any successor.
FCA Rules	The rules and guidance contained within the FCA Handbook.
Financial Intermediary Fee	The fee payable by the Investment Advisor to the appointed financial intermediary of the Investor, at the express direction of the Investor.
Fund	The Nova Cofoundery SEIS & EIS Fund, an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU), managed by the Investment Manager as described in this Information Memorandum. The Fund is not a legal entity and is a group of individual bare trusts to enable subscription monies to be held on behalf of Investors under

a nominee arrangement; each Investor will be the sole beneficiary of a bare trust, to be known collectively as the Fund. The Nominee is the registered legal holder of Investments on behalf of each Investor.

Gross Negligence	In relation to any person, a standard of conduct beyond negligence whereby that person acts with reckless disregard for the consequences of his or her action or inaction.
HMRC	Her Majesty's Revenue and Customs.
IHT	Inheritance Tax.
Information Memorandum	This Information Memorandum issued in relation to the Fund.
Investee Company	A company in which an Investment is made by the Fund.
Investment	An investment made in the Fund.
Investment Manager	Sapphire Capital Partners LLP, a limited liability partnership, with company number NC000562 and with registered address at 28 Deramore Park, Belfast, BT9 5JU..
Investor Agreement	The agreement to be entered into by each Investor in the terms set out in this Information Memorandum.
Investor	A person who completes an Application Form and who is accepted by the Custodian and the Manager as an investor in the Fund.
Investor Subscription	The aggregate amount subscribed by an Investor in the Fund.
Knowledge Intensive Companies	<p>A company which satisfies the conditions referred to in section 252A of the Income Tax Act, including:</p> <p>First, the operating costs conditions: that in one of the three years preceding or succeeding the investment date, 15% of operating costs has been or will be spent on R&D or innovation or, alternatively, that in each of those preceding or succeeding years 10% of its operating costs has been or will be spent on R&D or innovation; and</p> <p>Second, the innovation condition: that the company creates intellectual property and expects the majority of its business to come from this intellectual property within 10 years, or, alternatively, 20% of employees hold a relevant masters or higher degree and are engaged directly in research and development or innovation activities carried on the company or its qualifying subsidiaries.</p>
Nominee	MNL Nominees Limited or such other nominee or agent as the Investment Manager or Custodian may appoint from time to time to be the registered legal holder of Investments on behalf of Investors.
Nova	Nova Growth Capital Limited (FRN: 826519), the Investment Advisor is a private limited company by shares registered in England and Wales under company number 11591402 and with its registered office at Box Studios, 17 Boundary Street, Liverpool L5 9UB. Nova Growth Capital Limited is the appointed representative of Sapphire Capital Partners LLP (FRN: 565716), which is authorised and regulated by the Financial Conduct Authority. The directors of Nova Growth Capital Limited is Akshay Bhatnagar and Nova Group Holdings Limited.
Nova Cofoundry SEIS & EIS Fund	The Fund as described in this Information Memorandum.
Nova Team	The team of investment professionals of the Investment Advisor.

Qualifying Shares	Ordinary shares of a company that meets the requirements for a qualifying investor to be eligible for income tax relief and capital gains tax deferral under the rules of the Seed Enterprise Investment Scheme and/or Enterprise Investment Scheme.
SEIS	Seed Enterprise Investment Scheme.
SEIS and EIS Qualifying Company	A company that meets the requirements for SEIS and/or EIS Reliefs.
SEIS Qualifying Company	A company that meets the requirements for a qualifying investor to be eligible for income tax relief and capital gains tax deferral under the rules of the Seed Enterprise Investment Scheme.
Subscription	The aggregate amount invested by an Investor under the terms of the Investor Agreement.
Three Year Period	The period beginning on the date on which the shares in the Company are issued and ending three years after that date.

NOVA

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Nova Growth Capital Limited is registered in England & Wales, Company No. 11591402. Registered Office: 17 Boundary Street, Liverpool L5 9UB. Nova Growth Capital Limited (FRN: 826519) is an appointed representative of Sapphire Capital Partners LLP which is authorised and regulated by the Financial Conduct Authority (FRN: 565716).