

 **haatch** ventures

**ENTERPRISE
INVESTMENT
FUND**

INFORMATION
MEMORANDUM

January 2021







IMPORTANT INFORMATION

This Information Memorandum contains details of the Haatch Ventures Enterprise Investment Fund (the "Fund"), a fund managed by Haatch Ventures LLP ("Investment Manager") which targets investments in portfolio companies with a view to attracting EIS relief. The arrangement between the investors acting collectively and the Investment Manager will amount to an Alternative Investment Fund.

This Information Memorandum does not constitute an offer by the Investment Manager or any other person to invest in the Fund or act as your investment manager or an invitation for you to offer the same. Such an offer will be made only to investors who are certified as a 'high net worth investor', a 'sophisticated investor', a 'self-certified high net worth investor' or a 'self-certified sophisticated investor' in accordance with the rules contained in the FCA Handbook of Rules and Guidance (the "FCA Rules") and are able to elect to be treated as professional clients (and are found appropriate to do so, having regard to your knowledge and experience of similar investments).

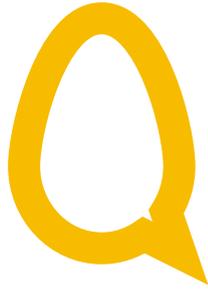
This Information Memorandum may not be disclosed to any other person or used for any other purpose. Note that these documents do not constitute a prospectus and the investments referred to within are not a non-mainstream pooled investment. This Information Memorandum constitutes a financial promotion which has not been approved by the Investment Manager or any other FCA-authorized person. This document and the information contained in it are not for publication and not to be distributed to persons outside the United Kingdom.

Your attention is drawn to the Risk Warnings set out at Appendix 1 of this document, which you should read and consider carefully. Nothing in this document should be regarded as constituting investment, taxation, legal, regulatory or other advice. You should seek advice from an independent financial adviser authorised and regulated by the FCA before deciding whether or not to make an investment. **The Fund will be making investments in early-stage, Enterprise Investment Scheme ("EIS") qualifying unquoted companies in the UK. Investments in unquoted shares carry higher risks than investments in quoted shares. You should be aware that no established or ready market exists for the trading of shares in unquoted companies. The value of shares can fall as well as rise and you may not recover the full amount of money originally invested. Past performance is not necessarily a guide to future performance and may not be repeated. Any investment in this product should be considered as a long-term investment.**

Reasonable care has been taken to ensure that the facts stated in this Information Memorandum are true and accurate in all material respects as at the date of publication and that there are no material facts the omission of which would make misleading any statement made in this Information Memorandum. However, some information contained herein comes from external published sources and none of Haatch Ventures LLP, Mills & Reeve LLP, Mainspring Nominees Limited or any other person assumes any responsibility for the accuracy or completeness of such information. Rates of tax, tax benefits and allowances referred to throughout this Information Memorandum are based on current legislation and HM Revenue & Customs practice. These may change from time to time and are not guaranteed. Changes in rules, regulations and legislation relating to EIS may affect the ability of this product to meet its objectives and/or reduce the level of returns that might have otherwise been achievable. It is recommended that you consult a tax adviser if you are in any doubt about any aspects of EIS legislation.

Investing in the Fund may not be suitable for all investors. Investors should be aware that investing in unquoted and immature companies (including Qualifying Companies) carries with it a high degree of risk. Investors should seek advice from an independent adviser, authorised and regulated by the FCA, before investing and take appropriate independent professional advice on the tax aspects of their investment.

The Investment Manager reserves the right to update this Information Memorandum from time to time.



KEY TERMS

Fund

Haatch Ventures Enterprise Investment Fund

Structure

An unapproved collective EIS portfolio (see section 12)

Investment Manager

Haatch Ventures LLP of The Hub, Blackfriars Street, Stamford, Lincolnshire, United Kingdom, PE9 2BW

Custodian and Administrator

Mainspring Nominees Limited of 44 Southampton Buildings, London, England, WC2A 1AP

Minimum Investment

£10,000*

Investment Focus

Early-stage companies which enable digital transformation

Target Portfolio

4 - 6 companies per Investor

Investment Period

The intention is that Investor capital will be deployed within 12 months from close*

Target Return

10x blended return on investment**

Rolling Fund

The Fund operates a rolling model as described in section 12

Set-Up & Management Fee

10% aggregate in advance covering all set-up & management. This eliminates the need for any ongoing costs from investors like traditional funds. For clarity there is no annual charge

Hurdle & Performance Fee

25% under 5x ROI / 30% on 5x or more ROI of net profit

Costs & Expenses

Any ad-hoc requests over and above the running of the fund. These are set out in section 12

*At the discretion of the Investment Manager

** Note there is no guarantee targets can or will be reached; see Risk Warnings at Appendix 1

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1 DEFINITIONS

Application Form	The application form, which can be found at https://haat.ch/hvapply , to invest in the Fund completed by an investor and submitted to Mainspring via the online process
CGT	Capital Gains Tax
Custodian	The administrator and custodian of the Fund, being Mainspring Nominees Limited, a private limited company registered in England and Wales with registered number 08255713 whose principal office is at 44 Southampton Buildings, London, WC2A 1AP
Deal Matrix	The Investment Manager's approach to selecting investments as set out in section 9
EIS	Enterprise Investment Scheme as set out in Part 5 of the Income Tax Act 2007
EIS3 Certificate	EIS3 Certificates issued to Investors by HMRC
Exemption	Free from tax liability
Haatch	Scott Weavers-Wright and Fred Soneya trading together as Haatch, Haatch Ventures LLP, Haatch Limited (company number 08900719) and any subsidiary or holding company of Haatch Limited and the Haatch brand and existing trading name
IHT	Inheritance Tax
Information Memorandum	This Information Memorandum dated January 2021
Investment Management Agreement	The Investment Management Agreement entered into between the Investment Manager and the Investors set out at Appendix 3
Investment Manager	Haatch Ventures LLP authorised and regulated by the Financial Conduct Authority ("FCA") under FRN 916959, registered in England with company number OC421829 and with a registered office at The Hub, Blackfriars Street, Stamford, Lincolnshire, PE9 2BW
Investor	An investor invested in the Fund
Management Fee	The establishment and management fee set out in section 12
MVP	Minimal Viable Product
Nominee	MNL Nominees Limited, a private limited company, registration number 09512864, appointed to hold and protect client assets and client money; a non-trading wholly owned subsidiary of Mainspring Nominees Limited
Performance Fee	The performance fee set out at section 12
Portfolio Company	A company invested in by the Fund
Qualifying Company	EIS qualifying company which satisfies HMRC requirement for the EIS
Rolling Fund	Multiple closes with no end date as described in section 12
Smart Money	Haatch's approach to supporting portfolio business as set out in section 8
International Investors	Investors who do not qualify for EIS, as set out in section 13
Investor Portal	The investor portal which can be accessed via https://haat.ch/investor-portal

2 PARTNERS & ADVISORS

The Fund is supported by three leading specialist firms, the details of which are outlined below:

Investment Manager

Haatch Ventures LLP
The Hub, Blackfriars Street
Stamford
Lincolnshire
PE9 2BW

Legal Advisor

Mills & Reeve LLP
24 King William Street
London
EC4R 9AT

Custodian and Administrator

Mainspring Nominees Limited
44 Southampton Buildings,
London,
WC2A 1AP

3 HAATCH VENTURES

Founded by Scott Weavers-Wright and Fred Soneya in September 2013 as an angel co-investment joint venture under the “Haatch Angel” brand, Haatch is an early-stage investment business backing the pioneers of the digital revolution. Under Haatch Angel, Scott and Fred focused on making investments within the SaaS and retail technology verticals and invested into 10 investee companies with one very successful exit to date, which returned 276x. The total Haatch Angel portfolio is currently valued at 9.58x. Haatch Ventures' investment focus has expanded to include B2B SaaS, Pro-Consumer, OnDemand, Gig Economy and Digital Consumer.

Haatch is a team of hands-on value creators. It has been there. Built scaled companies and sold them. It will use that knowledge, experience and network to accelerate the growth of portfolio businesses via its “Smart Money” approach, providing support in many areas, including go-to-market, digital development and marketing as outlined in section 8.

Haatch was founded on the back of the start-up program at Kiddicare. Kiddicare.com, founded by Scott Weavers-Wright and sold to Morrisons in 2011 for £70m cash, hand-selected retail technology start-ups to provide first-of-their-kind customer experiences, creating a platform which led to 10 acquisitions with a total value north of £3 billion. See Appendix 2 for further details.

With the continued growth of its own private investment portfolio and Haatch brand, Haatch launched Haatch Ventures in September 2018 and was excited to welcome Simon Penson (founder of Zazzle Media; see Appendix 2 for further details) and Mark Bennett (Director of Hardware Partnerships for Google) to the team as partners.

Simon and Mark bring a wealth of experience, exits and support to power Haatch and the Fund’s investments into the next chapter of growth.

Over the past seven years, Haatch Angel and Haatch Ventures have between them made 34 Investments in to 22 highly scalable digital companies, as detailed in section 5. The pace of investments is now accelerating with Haatch Ventures Leading 18 investments over the last 12 months.

This fund seeks investments in early-stage EIS qualifying companies that can exhibit highly scalable and disruptive models for growth by enabling digital transformation.

Haatch uses its significant venture capital relationships to help provide the portfolio with seed, series A and growth financial support, as well as leveraging its business relationships and brand to provide portfolio businesses with support from product development to marketing to FTSE 100 introductions.

Haatch has been investing, supporting and managing its portfolio of digital companies, hand-selected through its developed “inbound to deal” pipeline approach, outlined in section 10.

4 TEAM



Scott Weavers-Wright

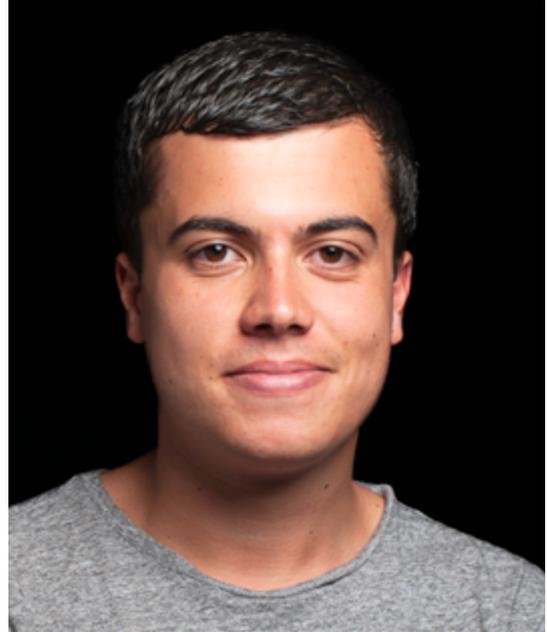
Scott is best known for founding one of Britain's largest e-commerce businesses, Kiddicare.com, which was subsequently acquired in cash for £70m by Morrisons, one of the UK's largest supermarkets. See Appendix 2 for further details.

Reaching sixth on the *Retail Week* Power List, Scott is regarded by many as one of the UK's most innovative business professionals in retail.

After the Kiddicare acquisition, Scott became Managing Director and Chief Architect for Morrisons.com and has a wealth of experience in building and scaling large e-commerce businesses across the UK.

Founding Haatch, Scott has invested in and developed businesses in the areas of ad tech, B2B SaaS and retail tech within the FMCG market including Elevaate, founded in 2014, which enables supplier monetisation programs across retailer websites.

Elevaate was acquired by Quotient Technology Inc. (NYSE: QUOT) based in Mountain View, California in October 2018, four years after investment from Haatch, and smashed the fund return target providing a return on investment of 276x.



Fred Soneya

Fred was responsible for a number of high-profile, large-scale innovation projects across Kiddicare.com and, post-acquisition, Morrisons. See Appendix 2 for further details.

Fred created award-winning digital customer experiences bridging the online-offline gap at Morrisons. This included the launch of browse and order points, mobile payments and electronic shelf-edge labels powered by early-stage technology companies.

To achieve this Fred worked with cutting-edge, early-stage technology start-ups to integrate and piece together award-winning customer experiences.

Having co-founded Haatch in 2013, Fred supports the investment process end to end and works with portfolio businesses in advisory and board roles.



Simon Penson

Building a bootstrapped business is never an easy process, particularly when your sector focus is B2B and where people are the only asset, but that is exactly what Simon did with Zazzle Media. See Appendix 2 for further details.

The digital marketing agency grew from nothing to delivering an EBIT north of £1m in just under six years before being sold into one of the world's biggest advertising holding companies (IPG).

As a result of that journey, he is now seen as one of the most prominent minds in digital marketing and is regularly asked to speak and write about cutting-edge digital growth both in the UK and around the world.

His real-world experience in people management, marketing, and building profitable start-ups make him an extremely valuable member of the central team.

Simon left IPG in September 2019 to focus on investments and Haatch full time.



Mark Bennett

Mark Bennett is Director of Hardware Partnerships for Google in APAC, having previously led the international business of Google Play.

As Hardware Partnerships lead he heads up Google's hardware sales team in APAC, working with retailers, carriers and other B2B partners to grow market share in a range of categories with products such as Pixel, Google Home, Nest and Chromecast. In his previous role he focused on growing Google's digital content business for games, apps, film and other content verticals in EMEA, APAC and LATAM.

Prior to Google, Mark was the Managing Director of Blinkbox Music, where he grew the streaming music service to over 2.5 million users in 18 months. Previous to this, Mark held posts at Sainsbury's, Global Media Vault, Microsoft, HMV, Warner Music UK and EMI.

Mark read Economics & Politics at University of Bath.



5 HAATCH PORTFOLIO

To date, Haatch has made **34 investments** across **22 digital companies** which are detailed below.

Haatch now makes 4-6 investments per fund, with a typical portfolio including a follow on investment and 4 new investments.

5.1
**ACTIVE
PORTFOLIO**



Marvel

Marvel puts the power of design in everyone's hands with its unique SaaS platform. It provides everything a user needs to bring ideas to life, from wire-framing to prototyping and handing off to developers.

Before coming to Haatch, the company had pitched to numerous VCs and were told by others that they were "too early" to be investable. Our early-stage approach meant we were able to back them, not just with cash but, most importantly, by providing mentoring and strategic support. That, combined with a £60,000 investment, enabled the three founders to take their minimally viable product to launch successfully and scale.

Marvel has since raised over £5m in venture funding and has grown from the 40 beta users which it had in place when we invested to over 2 million today.

The last 12 months have seen Marvel focus on enterprise customers with triple-digit growth and continued disruption in this market.



Scurri

Scurri provides a highly scalable, simple, international delivery management platform which sits between retailers and carriers, providing an integrated solution to control label production and shipping covering more than 93% of the UK market's carriers by volume.

Scurri was backed with an initial €150,000 investment as well as provided with invaluable support via our "Smart Money" approach, with market knowledge and introductions to retailers who become customers, delivery carriers and investors. Fast forward to June 2020: they have raised a total of €6.5m and seen a 55% increase in delivery volume throughout the lockdown period due to the increase in online shopping.

Scurri supports major delivery carriers across the UK and internationally, including DPD, Hermes, TNT and Collect+. Customers now including Ebay, Gymshark, Vision Direct, Gousto, Amazon, Fetch and Fabled by Maire Claire.



Iterate.ai

Iterate.ai, starting life as Iterate Studio, was founded by an experienced team whom we had worked with before, including Jon Nordmark, founder and CEO of Ebags (\$105m acquisition).

Iterate provides an artificial intelligence platform via its Iterate.ai website that enables executives and entrepreneurs to discover, integrate and test start-ups. The company's advisory panel also includes another face familiar to Haatch: Steve Papa, founder and CEO of Endeca (Kiddicare was an early Endeca customer), which exited to Oracle for \$1.1B in 2011.

In 2019 Iterate launched Interplay, allowing retailers to "plug and play" with start-ups – Iterate handle the tech, contracts and data flows!



Elevaa+e – Acquired

Elevaa+e, founded by Scott Weavers-Wright, increases online monetisation programs by enhancing relationships between suppliers and retailers.

The company's technology platform powers global supplier sponsorship programmes for Morrisons, Iceland, and Office Depot and more. See Appendix 2 for details of Elevaa+e's awards.

Elevaa+e was acquired by Quotient Technology Inc. (NYSE: QUOT) based in Mountain View, California in October 2018, four years after investment from Haatch, and smashed the fund return target providing a return on investment north of 276x.

"Elevaa+e, founded by Scott Weavers-Wright, increases online monetisation programs by enhancing relationships between suppliers and retailers."



Veritonic

Veritonic has built a cutting-edge audio effectiveness platform enabling brands to test, benchmark and analyse their audio across all of their advertising. As the first money into Veritonic, we supported them to launch and we continue to support them with UK operations. Customers now include CBS, Coca-Cola and Bose.

Scott Simonelli, founder of Veritonic, is another familiar face to Haatch, having led the client-facing team at Ordergroove, a Kiddicare partner. Veritonic has received follow on investment from Audible (Amazon) and Greycroft, one of the world's largest VCs earlier this year to expand their award winning audio platform across the entire end-end creation of and testing of audio assets.



Buymie

Backed in 2018, Buymie is a key consumer investment and a very exciting one for the team.

Buymie is the perfect example of the kind of business the Haatch Portfolio invests in and supports: one with a great MVP and the opportunity to scale through technology.

The scale-up has created a mobile marketplace allowing consumers to connect with a personal shopper who uses his or her own smartphone and car to pick and deliver groceries in as little as one hour, in return for a delivery fee, margin and for partner retailers a revenue share. The same-day delivery service is now available to 200,000 households across Bristol and surrounding areas in the UK in addition to Dublin and Cork.

The last year has seen Buymie publicly announce a multi-year, first-of-its-kind partnership with Lidl, enabling one of the largest European retailers to challenge the entire market with its new on-demand delivery proposition. Buymie has seen 300% growth in Q1 alone, also gaining a further €5.8m funding round led by Wheatsheaf Group in May 2020.

The demand curve for online grocery retail is set to double to almost €22B by 2024, giving Buymie the opportunity to grow with it.

POPLAR

Poplar

Launched by former Netflix and Google execs, Poplar is a platform empowering the world to easily create Augmented Reality (AR) experiences. AR is the next frontier for content. The world's largest tech companies are pouring hundreds of millions into research and development in the space, while start-ups such as Magic Leap have become some of the best funded in the world.

The team too is well placed to make the most of the opportunity, with both the CEO and CTO embedded in the space through their past work with YouTube Spaces and within the gaming communities.

Poplar raised funding of £2.6m in July, just 12 months after Haatch's initial investment and at 3.5x the valuation. In August 2020 Poplar announced the acquisition of AR start-up SvrF, Inc. The acquisition will further enable Poplar to provide the best-in-class AR campaigns to all its clients, across beauty (L'Oreal), Retail (Speedo), Entertainment (NBC Universal) and FMCG (Nestle), all by utilising SvrF's innovative technologies.



Eleanor

Eleanor

Backed in 2019, Eleanor is a guest experience booking platform that increases incremental spend while realising operational efficiencies.

Darren, the founder of Eleanor, has spent more than 10 years in the Maldives and in his time built a successful digital business providing websites and marketing to more than 25 luxury resorts. All the hard work is paying off, with the company breaking even within six months.

In Q2 of 2020, Eleanor succeeded in securing upgrades to the full product package for some existing clients – Lily Beach Resort & Spa, Komandoo Maldives Resort and Kudadoo Maldives Private Island – and integrated a Dive HQ package with TGI Maldives @ Oblu Sangeli.

Eleanor's largest customer is the Kuredu Resort Maldives. It has 642 admin users fully trained and operational now, seeing 179,282 bookings made over the seven resorts that they are operational in.

DEAZY

Deazy

Deazy was backed by the Haatch Portfolio in 2019, and is creating the ultimate frictionless platform for product development from conception to creation, so that anyone can make their idea a reality.

Deazy solves the biggest challenges in outsourced product development: who to use, where to find them and how to manage them.

As creators of software for many years we see this challenge time and time again and the vision of Deazy is a proposition we feel is a great investment opportunity for our portfolio.

Both founders have strong experience in management consultancy and software development and, with our support, are well placed to push Deazy to become the development platform of choice. Portfolio synergies include Poplar, which is building similar tool sets for scoping and project management, and Marvel, whose design prototypes end where Deazy's platform begins.



1 SECOND EVERYDAY

1 Second Everyday

1 Second Everyday (1SE) is a Haatch Angel US-based investment, completed in 2019. Founded by former video and animation experts, 1 Second Everyday was born from a side project: filming one second of video every day for the rest of your life.

Fred Soneya supported the project back in 2013 on Kickstarter and has kept a close relationship with the founder ever since, culminating in the opportunity to invest in the first fundraising round of this profitable scale-up in 2019.

Winning multiple industry awards, featuring in the movie 'Chef' and appearing on stage at TED, 1SE is enabling users to share their most personal moments with those who matter to them most.

1 Second Everyday started January 2021 as the number 1 app on the Apple App store in 35+ countries beating TikTok, WhatsApp, Instagram, Facebook, Zoom & YouTube to the number 1 spot to begin the year.

VuePay

VuePay

VuePay was backed by Haatch Ventures in April 2020. These second-time founders have built a successful video business in the adult industry and are now focused on applying their IP to all industries via their new platform.

VuePay is a live pay-per-view video streaming platform that allows broadcasters and content creators to unlock new revenue by charging their audience in real time. VuePay enables broadcasters for the first time to control their monetisation: instead of serving ads, each broadcaster sets prices for group and one-on-one video, enabling fans to engage like never before.

In Q2 of 2020 VuePay focused on completing their development of key product features, adding to their team and launching the first creator broadcasts to ensure that the platform was ready to scale.

codices

Codices

Backed by Haatch Ventures in July 2020, Codices is a revolutionary platform that helps broadcasters build, engage and monetise their audiences through groundbreaking player-driven entertainment.

The team has credits on industry-defining shows like HQ Trivia, Big Brother, The Million Pound Drop and Who Wants To Be A Millionaire. Meanwhile, their Twitch extension, Quiz Kit, is the most used game show creation tool on the platform, serving thousands of content creators across the world.

Codices is made up of a dream team of interactive TV pioneers and is the first university spin-out company backed by Haatch.

"Backed by Haatch Ventures in July 2020, Codices is a revolutionary platform that helps broadcasters build, engage, and monetise their audiences."



AeroCloud

AeroCloud's mission is to become the largest provider of operation automation software for small to medium-sized airports.

It started back in 2017 by understanding the most pressing problems faced by airports and working to solve complex issues through a co-creation model. When executives started to adopt their products as mission-critical and recommending it to their peers, the founders that they had created something scalable that could eventually become the "norm"!

Their predictive AI, resource management and planning modules now hold together operations across multiple different departments in airports around the world.

Both founders have a true understanding and passion for the market and aviation in general. Ian (CTO) created one of the first Airport Operational Databases and George (CEO) was one of the quickest ever successful applicants to the US Federal Government purchasing schedule, gaining AeroCloud vital traction to speed up the complex government procurement process.

"It started back in 2017 by understanding the most pressing problems faced by airports and working to solve complex issues through a co-creation model."



Re-flow

Re-flow is a workforce tool aimed at businesses which have staff working outside of the office on location, specifically focused on fleet and job management.

Through the platform, management creates jobs and tasks and assigns them to individuals or groups of field workers.

Through their fully managed and secure platform, Re-flow enable firms to digitise old paper processes and streamline fleet and job management across entire organisations. With customers including Highway Markings and SWH Group, Re-flow is a truly unique B@B SaaS player.



Bodyswaps

Bodyswaps is building the next generation of learning solution for soft skills training using Virtual Reality and AI.

In the face of several technological and societal disruptions to the world of work, organisations are looking to rapidly upskill their entire workforce around soft skills such as inclusive leadership, emotional intelligence and performance management. Bodyswaps provides organisations with off-the-shelf and bespoke training simulations that are similar in performance to expert coaching and role-playing, but close to the cost and scalability of online courses.

Bodyswaps founders have extensive experience in tech and VR software development, having delivered multiple VR training projects. Bodyswaps have won awards with global organisations and landed numerous grants from UK and EU funds, along with receiving an Innovate UK grant (awarded Q4 2019, started January 2020) and launched their B2B SaaS platform in June 2020.



Avion

Avion, introduced by the Haatch Investor network is a platform founded by experienced agency senior software engineers from Digital Agency MMT based in Uppingham (local to Haatch), which itself has been a huge local success story after being acquired by BeHeard in 2016.

Avion is a platform that helps product teams build story maps replacing post-it notes in traditional environments and enabling teams to have a digital space where their product can live, breathe and grow — whilst being online and shareable.

Avion was already achieving 100% month-on-month growth prior to the pandemic and is set to continue exponentially. Our investment in Avion leverages our portfolios knowledge with strong synergies and partnership opportunities including Marvel & Deazy.



Pubx

Founded by exited entrepreneurs, which in itself is a huge tick for us, Pubx enables publishers to optimise their revenue through a deep learning artificial neural network that processes vast stores of data. Currently operating in Stealth Mode Pubx.ai will launch publicly in Q1 2021.

"Avion was already achieving 100% month-on-month growth prior to the pandemic and is set to continue exponentially."

WINE LIST

Wine List

We love subscription businesses, and the Wine List is no different. The founder, Josh was the 1st employee and head of growth at Thriva - a blood testing subscription business which has grown exponentially. With his experience of growing a large successful subscription business he has moved his focus to Wine and in particular his mission to help those 6m wine lovers gain confidence in wine.

The Wine List is building a digital content platform that will offer best in class video, with learning quizzes to reinforce knowledge. Backed by both an online and offline community, they're aiming to make operations and customer experience the best there is.

Already covered by the likes of Evening Standard, Metro, Monocle, Drinks Business Metro, Grazia and Courier, they have an NPS of 78, and 95% 5* reviews on Trustpilot. After a successful Crowdfunding campaign alongside our investment also completed in November 2020, The Wine List is gearing up for huge growth in 2021 and beyond.



The Bunch

The Bunch was started by two university friends who had lived through the challenges of sharing and managing student house bills. But rather than settle for the 'norm' they instead went about building, from scratch, a platform to make it easy for shared houses to split important costs such as rent and WIFI bills!

That business has already clocked up significant revenues from partnerships and revenue shares however the plan now is much more ambitious and wide ranging with a focus on finding the right student property, securing it and enabling students to get up and running quickly and easily once they've settled in. New to the Haatch portfolio in December 2020 we'll be working with The Bunch closely on product and customer acquisition strategy.

5.2 PORTFOLIO NEWS

Scurri

Ireland-based e-commerce software provider Scurri raises a further €1.5 million to support continued growth

<https://haat.ch/2QZUJt4>

Scurri named as only Irish company among 50 global tech start-ups powering the new retail era

<https://haat.ch/3aOploS>

Scurri is supporting e-commerce retailers through a crisis

<https://haat.ch/2B2EpDo>

Wine List

Lockdown libations: The drinks delivery services bringing the bar to your doorstep

<https://haat.ch/2IR8yKd>

Veritonic

Liberty Mutual, State Farm, Little Caesars Top Veritonic's 2020 Audio Logo Index

<https://haat.ch/2ROVt19>

Bayer podcast ads beat industry norms for purchase intent, authenticity in new analysis by ART19 and Veritonic

<https://haat.ch/3bzyhRI>

ART19, Veritonic case study found podcast ads boosted intent-to-purchase

<https://haat.ch/35ch2UR>

Even from Home Studios, NPR Sponsorships Deliver for Listeners, Brands

<https://haat.ch/323zywA>

Buymie

Buymie raises additional €5.8m in funding

<https://haat.ch/35iGQil>

More UK shoppers can order groceries to their door thanks to GBG and Buymie mobile app

<https://haat.ch/333NTZj>

Buymie is booming

<https://haat.ch/3i7Grmn>

Grocery courier business Buymie enters UK with Co-op partnership

<https://haat.ch/3g9HjGn>

Retailers Buy Into Same-Day Delivery

<https://haat.ch/3m0xbTd>

Dunshaughlin entrepreneur in running for EY award

<https://haat.ch/3kXbwK7>

Grocery shopping app Buymie delivering for Devan Hughes

<https://haat.ch/3fnuU1A>

Marvel

Just had the next billion-dollar app idea

<https://haat.ch/3pSM0t7>

Poplar

39. Poplar is an innovative platform that provides 3D and AR campaigns on demand

<https://haat.ch/3dpGNI7>

AR platform Poplar raises \$2.1m

<https://haat.ch/2N8Loxl>

ISE

You have to see this video of a man who took a selfie every day for 20 years

<https://haat.ch/3jQmUHq>

Iterate.ai

Usage of Iterate.ai's patent-pending Innovation Workflow Platform increased by 118% as membership nearly doubled

<https://haat.ch/333Q2Eq>

Codices

Falmouth-based Codices lands €700K to boost its live interactive shows and quizzes

<https://haat.ch/3icPqCU>

Codices receives £650K equity investment

<https://haat.ch/3pSZwNh>

Re-flow

Re-flow Roads Report 2020 – PR Fire

<https://haat.ch/2J6uKPZ>

BodySwaps

Soft Skills Training Specialist Bodyswaps Joins HTC's Vive X As Platform Goes Live

<https://haat.ch/35ehAcH>

5.3 LEARNINGS

Pijon

Pijon was a US investment providing college students with monthly subscription boxes of essentials like snacks, socks and tea. Founded by a first-time entrepreneur and backed by two US venture capital firms, we liked the concept and provided support on launch; however, managing a US-based investment with no prior relationship with the founder was difficult and the investment was written off in early 2018.

3nder

3nder created a dating app for more than two people and with a small investment from Haatch (£30,000) it exploded, reaching 100,000 downloads within weeks. However, the space didn't fit with appetite for follow-on investment. The shares were sold back to the company in 2015 to enable a focus on the rest of the portfolio.

Snapd

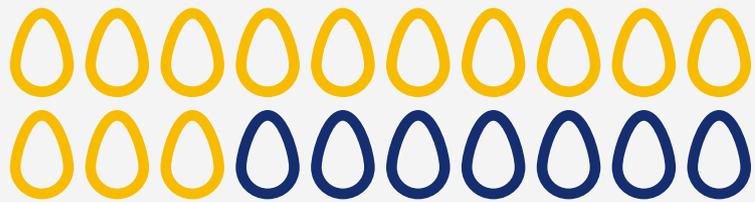
Snapd created a photo-messaging app allowing friends to send snaps and capture their reactions as they view the image. We loved the concept, but we quickly discovered the founders were not dedicated to the project. The business was written off in 2015.

These three lessons have enabled Haatch to refine its processes, focus on where it can add value, and create a better investment approach.

6
H A A T C H
B Y
N U M B E R S

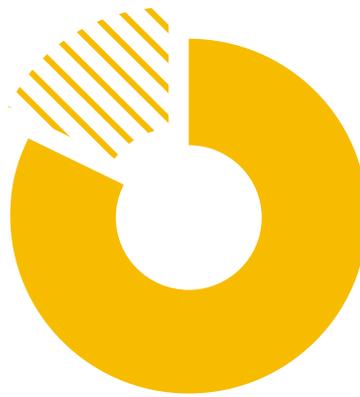


Founded in
2013



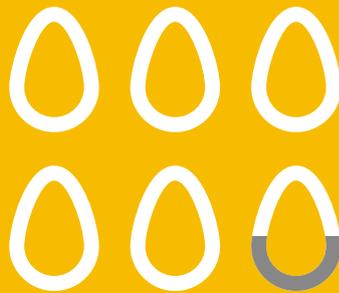
34 investments to date
(22 companies)

1 exit for
276x



3 failures,
18
companies are
profitable or
well-funded

The Haatch
Angel portfolio
has a current
valuation of **9.58x**
and still going!



Target return
10x

Target
holding period
5 to 7
years



Portfolio companies have raised over

£40 million

in follow on funding

7
**INVESTMENT
FOCUS**

Enabling Digital Transformation

Each of Haatch's investments has the potential to be a category killer, by disrupting the vertical they are in. You will notice that Haatch's older investments have a slight bias towards retail technology and B2B SaaS. This was fuelled by Scott and Fred's backgrounds; however, we have continued to diversify thanks to the extra dimension and experience brought in by Haatch partners Simon and Mark. Both bring significant marketing and mobile expertise to the table along with the shared passion for consumer tech and the march of digital transformation.

Looking at the broader market, digital is a key growth driver across many industries. Haatch is therefore able to remain broad in sectors yet focused on the most transformative businesses. This provides Investors with access to what Haatch deems an extremely exciting early-stage and scale-up investment portfolio.

With the rise of gig-economy and on-demand enabled consumers, you will see this reflected in Haatch's existing portfolio from Marvel, which breaks down barriers in the digital design community to enable anyone to design, to Buymie, which provides one-hour grocery delivery to consumers across Dublin, Cork and Bristol. B2B SaaS and pro-consumer tech also continues to drive significant growth with the number of corporate acquisitions growing year-over-year; this is reflected across the Haatch portfolio with Veritonic, Scurri, Elevate (now exited) and Iterate.ai. Further details of the existing Haatch investment portfolio can be found in section 5.

Moving forward, the focus will continue to be on well-known markets in addition to making investments in new markets being fuelled by technology enablement, including smart devices, artificial intelligence, blockchain and mixed reality.

Company Stage

Haatch's investment focus is twofold. Firstly, Haatch seeks early-stage investment opportunities, with a sweet spot being an MVP with some early traction in market. A good example of this within the existing investment portfolio is Marvel, highlighting the Haatch experience in discovering, vetting and backing such opportunities.

Secondly, Haatch has the opportunity to invest in follow-on rounds for existing Haatch Angel and Haatch Ventures LLP companies. These are companies which Haatch has worked with from an early stage and which have launched to prove product-market fit, shown significant growth and often gone on to raise investment from some of the largest funds in the UK and internationally. This provides Investors with the unique opportunity of investing into an established scale-up.

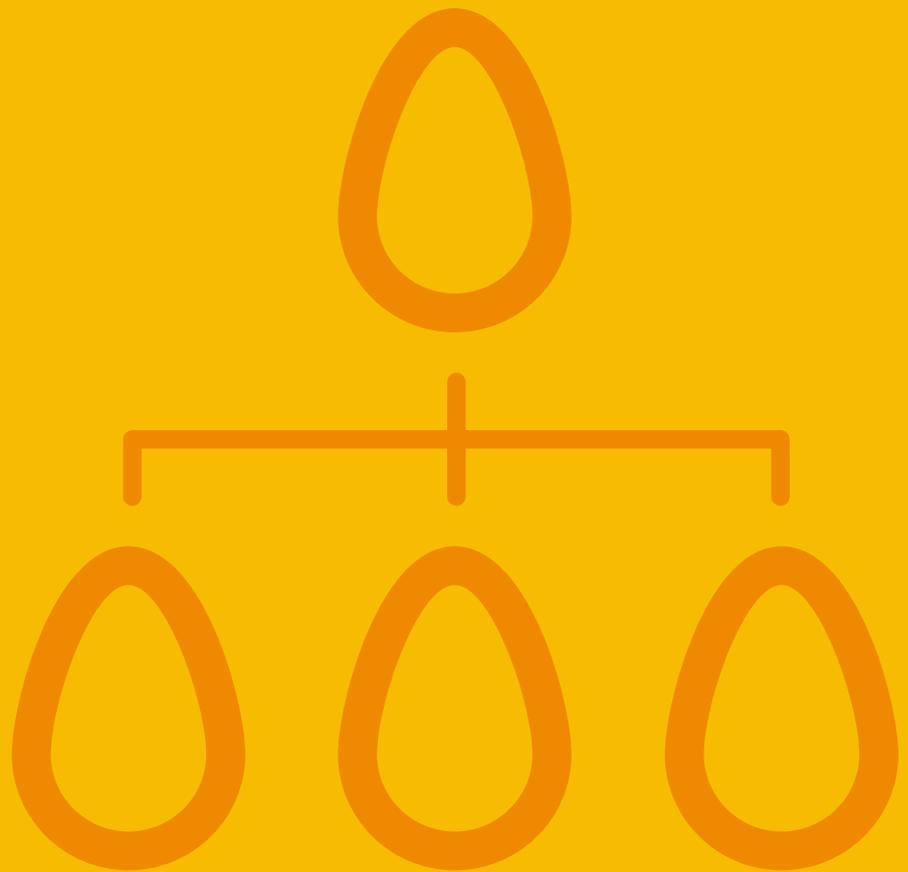
Haatch investment stages see investments focusing on "Initial Seed" funding, where Haatch provides the first and only initial money into the company, as well as "Seed" funding, where Haatch provides first or second money into the company and fills or syndicates the round. With "Follow On" funding, Haatch makes additional investments into existing companies which have become scale-ups.

The target stages of a typical investment are outlined in section 9 below, although these may change on a deal-by-deal basis at the sole discretion of the Investment Manager.

Stage	Haatch Investment	Round Size
Initial Seed	Up to £100,000	Up to £100,000
Seed	Up to £500,000	Up to £2m
Follow On	Up to £500,000	Up to £2m

8

INVESTMENT STRATEGY

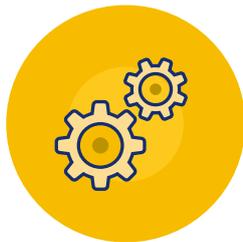


Haatch invests in highly scalable digital companies in which it believes its Smart Money approach will add value to accelerate growth and in turn create significant value companies and resulting exits for all involved. Deals are selected using the selection matrix set out in section 9.

Smart Money

Haatch is different, rolling the best attributes of EIS funds, angel networks, accelerators, family offices and incubators into one to create a "Smart Money", hands-on approach to investing and supporting digital companies at their very early stages, all the way through to scale-up and exit.

The Smart Money approach provides all portfolio businesses with support directly from the partners of the Investment Manager, as well as from the Investors (if they wish) and joint networks.



**Marketing, Network
& Growth**



**Business, M&A
& Financial**



**Mentorship
& People**

Portfolio Composition

Haatch provides Investors with a blended portfolio of a minimum of four investments with target of six investments across early-stage companies who are enabling digital transformation.

The projected minimum and maximum investment sizes are £100,000 and £1m respectively, although there will of course be outliers to this rule.

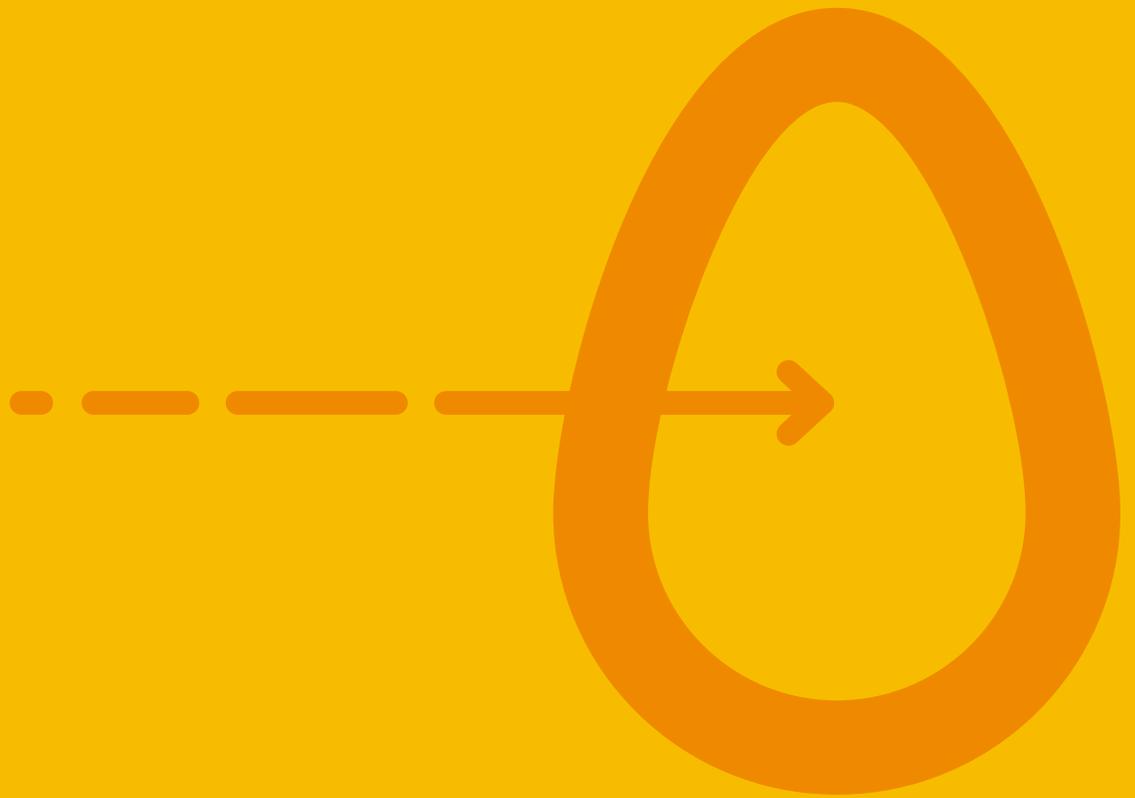
Larger rounds will be supported with outside investment from the strong network of investor relationships Haatch has developed, including business angels and VC funds, some of which are outlined in section 11.

Haatch expects to invest in a company in the first one or two rounds prior to a series A led by a larger investor. Typically, Investors should expect companies to exit over five to 10 years from investment. However, earlier exits are possible and have been achieved.

EIS Qualifying Companies

The Fund will solely focus on early-stage Qualifying Companies, meaning all investments will be within the UK or businesses which are entering the UK market and also qualify for EIS reliefs. Buymie is an example of the latter.

Further details of the EIS requirements and reliefs can be found in section 13.



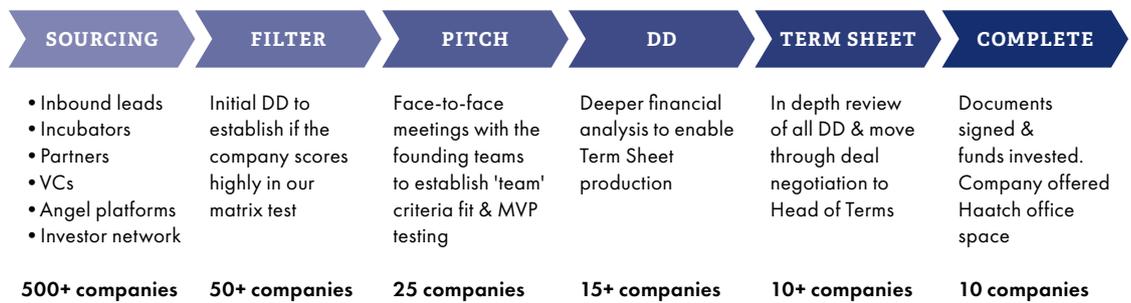
9 INVESTMENT PROCESS

Haatch has developed a detailed investment process over the last seven years which involves considering a lot of businesses and investing in a few, constantly filtering opportunities to make sure the best possible ones are selected.

During this time, Haatch has iterated the selection criteria to create an end-to-end process that is flexible yet detailed, enabling the partners and Investment Committee to make information-driven investment decisions.

Pipeline Process

You can see a high-level diagram of this detailed pipeline review process below:



Deal Matrix

Each deal is reviewed by the Haatch partners and Investment Committee on the key pillars set out below, which form the Haatch review matrix. Each deal will be scored on this as it progresses through the pipeline.

Of specific focus is "Team Dynamics". Although investments tend to be in first-time founders, Haatch takes a detailed look at founders' history and particularly their dynamic: how long they have worked together, in what capacity, and so on.

"Revenue Focus" means looking for the precursors that minimise the risks around lack of scaling opportunity that may inhibit the building of a larger, sustainable businesses. The majority of investments are pre-revenue, but with a clear path to revenue, breakeven and profitability, maximising the chances of long term success.



10 DEAL FLOW

Haatch's unique approach to sourcing deals.



Cold Inbound

These are founders looking for investors and they find Haatch, typically online. Haatch is known in the industry for backing early-stage businesses and as a result there is an increasing inbound flow of opportunities in the region of 500+ per year.

Incubators & Accelerators

Haatch's strong partnerships with incubators and accelerators provide pipeline opportunities through structured processes, in particular "demo days" which showcase companies after they have completed their respective programmes.

Partners & Introducers

Partners and introducers work with selected investment funds, including Haatch, to bring a hand-selected group of companies each year to the point of investment.

VCs

Many investment opportunities are brought to Haatch from its extensive Venture Capital network ("VCs"), thanks to the relationships the Haatch partners have built over the last seven years, some of which you can see outlined in section 11. VCs regularly pass on deals which are simply too early for them and then invest at later stages once their required metrics have been reached.

Angel Platforms

Haatch is a member of the key UK angel platforms which provide deal flow and outreach programs. These present the earliest-stage opportunities and Haatch tends to follow them through their development on these platforms prior to connecting for later-stage investments.

Investor Network

You! The Haatch investor network provides introductions and opportunities regularly.

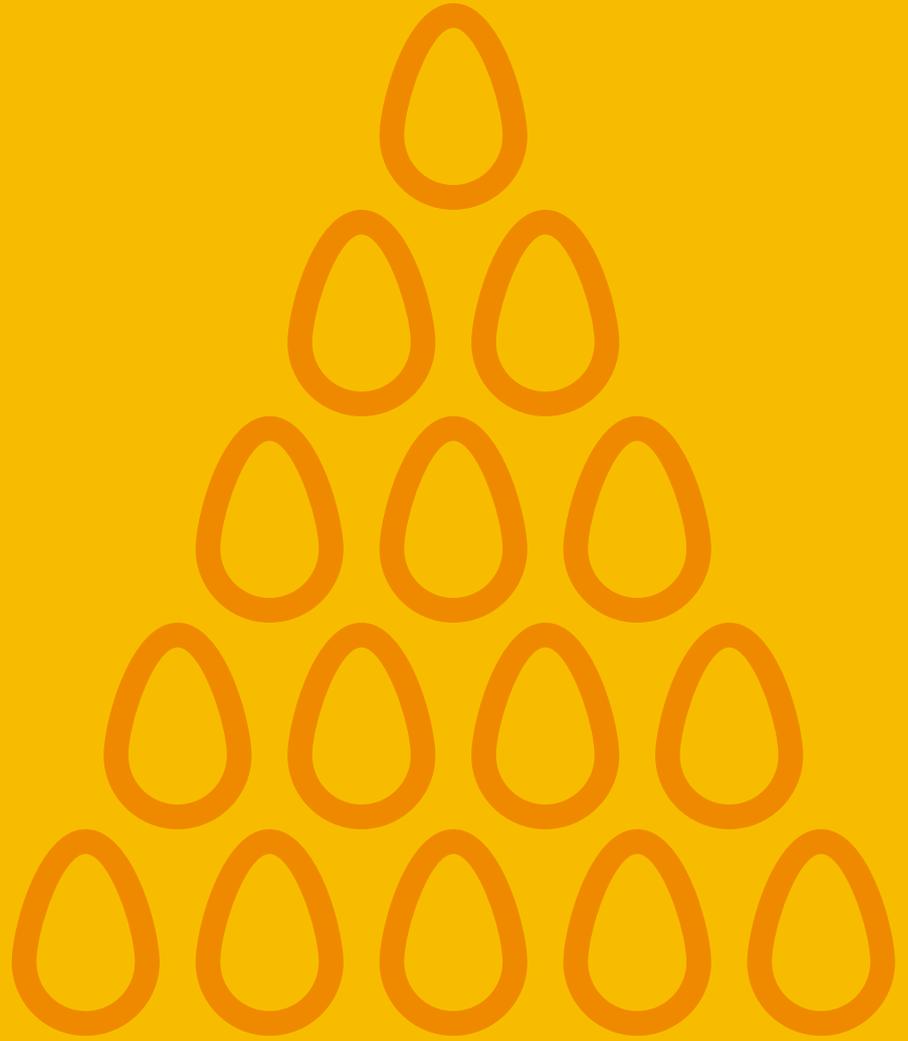
Existing Portfolio

The existing portfolio of investments is also a source of opportunity as portfolio founders will recommend Haatch to their own networks.

11 VC RELATIONSHIPS

Over the last seven years Haatch has developed extensive relationships with key VC firms in UK, Europe and America, enabling its investment portfolio to raise significant growth funding from leading global VCs. All of the below have invested in a Haatch portfolio company after an investment from Haatch.



12
**FUND
STRUCTURE
AND FEES**

Fund Structure & Classification

The Fund will not be a legal entity but will instead comprise the combined investments under the management of the Investment Manager of the respective Investors, each having separate portfolios of beneficial interests in shares in Portfolio Companies. The Fund will invest in Portfolio Companies identified and selected by the Investment Manager. The Investment Manager will instruct the Custodian to subscribe for shares in Portfolio Companies on behalf of the Fund. Subscriptions in the Fund will be aggregated in making investments, the legal title to which investments will be held by the Nominee for and on behalf of the Investors as beneficial owners of the shares in the Portfolio Companies.

The Fund will be an alternative investment fund ("AIF") for the purposes of the Alternative Investment Managers Directive 2011/61/EU ("AIFMD"), and therefore the Markets in Financial Instruments Directive does not apply. The Investment Manager is authorised by the FCA to manage AIFs.

Rolling Fund

As a Rolling Fund, subscriptions raised at different intervals will form monetary sub-funds, each of which will invest in Portfolio Companies so long as funds are available within the monetary sub-fund to so invest. Investments will be held by the Nominee for and on behalf of only those Investors of such sub-funds which invest in a Portfolio Company, and such investments will be held for such sub-fund Investors pro-rata to their underlying subscriptions (as defined in the Investment Management Agreement) so invested. An example of how such sub-funds are invested collectively in the Fund is set out in the Investor Funds Allocation section below.

Classification

The Fund will be the regulatory client of the Investment Manager and is categorised as a *per se* Professional Client as defined in the FCA Rules. The Fund is classified as a Retail Investment Product as defined in the FCA Rules and does not constitute a Collective Investment Scheme as defined in the Financial Services and Markets Act 2000.

Investor Communication

Haatch has open communication with Investors and is happy for Investors to ask questions, provide feedback and become involved in portfolio businesses (for example mentoring, acting as a sounding board, providing introductions and sector expertise) if they so wish. To enable this to happen Haatch provides a number of regular reports in the following formats:

Report Type	Report Frequency
Statement of ownership	Real time via the Haatch Investor Portal
Management report per company	Quarterly via email and the Haatch Investor Portal
EIS3 Certificates	Approximately four weeks after each investment via email and the Haatch Investor Portal
Ad-hoc news and updates	Ad-hoc via email and the Haatch Investor Portal

Investor Funds Allocation

Investor funds are allocated pro-rata to Investors' investment in the Fund and proportionally to the monetary sub-fund in which the Investor has invested.

The following table shows an Investor allocation example outlining a single close in September; this is purely an illustrative example to demonstrate the process.

September Close	Investee Company 1	Investee Company 2	Investee Company 3	Investee Company 4
£100,000 Investor 1 invested in September	£20,000	£20,000	£25,000	£25,000
£100,000 Investor 2 invested in September	£20,000	£20,000	£25,000	£25,000
£200,000 Investor 3 invested in September	£40,000	£40,000	£50,000	£50,000

Sub-funds (in other words, each raise undertaken by the Fund with closes at quarterly intervals every year) will have the ability to work together on investment opportunities and will generally be invested proportionally (i.e. pro rata to the size of the sub-fund), provided that Investment Manager will have the discretion to invest a sub-fund on a non-proportionate basis if it is required, for instance in order to ensure all capital within a sub-fund can be deployed and/or to ensure that a sub-fund can invest in at least four Portfolio Companies. Sub-funds create more investment opportunities for the Fund essentially creating a bigger fund enabling investments into more companies.

To show how this works there are two very simple scenarios outlined below with four investments in each example. These are simplified examples for the benefit of demonstrating how sub-funds work together and these do not outline the Haatch investment strategy.

It is important to remember that Haatch look to ensure Investors a minimum of the next four EIS investments, and hence departure from pro-rata investment between sub-funds may occasionally be required.

In the first scenario, two £200,000 investments are made from "September Sub-Fund" during October and December. At the time of the February investment, the "September Sub-Fund" is the same size as the "February Sub-Fund". The £200,000 investments in investee companies 3 and 4 are therefore split 50/50 between the "September Sub-Fund" and "February Sub-Fund" due to the timing of investments. This demonstrates how two sub-funds interact together to proportionally split investments between sub-funds.

Investee Company 1 October Investment	Investee Company 2 December Investment	Investee Company 3 February Investment	Investee Company 4 March Investment
September Sub-Fund £200,000	September Sub-Fund £200,000	September Sub-Fund £100,000 February Sub-Fund £100,000	September Sub-Fund £100,000 February Sub-Fund £100,000

The second scenario shows a similar example. However, sub-fund 1 ("September Sub-Fund") is double the size of sub-fund 2 ("February Sub-Fund") at the time of the February investment; therefore, investee companies 3 and 4 receive a different allocation of capital from each sub-fund.

Investee Company 1 October Investment	Investee Company 2 December Investment	Investee Company 3 February Investment	Investee Company 4 March Investment
September Sub-Fund £200,000	September Sub-Fund £200,000	September Sub-Fund £133,334 February Sub-Fund £66,666	September Sub-Fund £133,334 February Sub-Fund £66,666

The Fund deploys capital into, at minimum, the next four Qualifying Companies and does not pick and choose between sub-funds.

The Fund aims to invest any subscription to the Fund within 18 months of each such subscription. However, this could happen much faster.

Investors' investments made into a sub-fund will only be invested in Portfolio Companies after they join but could be invested alongside previous Investors in follow-on investments.

The Fund's investments will include both new deals and follow-on opportunities across the Fund's portfolio of Qualifying Companies. The Fund may invest in suitable follow-on investment opportunities in Haatch's own existing angel portfolio.

Fund Exit

You will automatically exit the Fund when the Fund has exited from all Portfolio Companies in which you are beneficially invested; however, you will receive profit on investments at the time of each Portfolio Company exit. You should typically expect a holding period of investments in a Portfolio Company to remain for five to 10 years; however, there is no end date for the Fund. There can be no guarantee that there will be any appreciation in the value of any investee/Portfolio Company or that commercial objectives of these companies will be achieved.

Fund Fees

Establishment Costs & Management Fees

The Investment Manager will charge a simple investor fee model which covers initial set-up costs, on-boarding costs and annual costs in a one-off 10% fee net of investment. This means a £100,000 investment would enable £90,000 of Investor funds to be invested directly into Qualifying Companies and eliminate any ongoing cost to an Investor or Portfolio Company. There is no on-going annual management charge.

This approach was taken to eliminate on-going costs to Investors which in traditional funds compound over many years, in some cases into large double-digit % charges.

All of these proceeds contribute towards the third-party costs of running the Fund and therefore Investors should feel comfortable that the Fund and Investor funds are managed and administered by an experienced, professional team, a regulated fund manager and regulated third parties.

Performance Fees

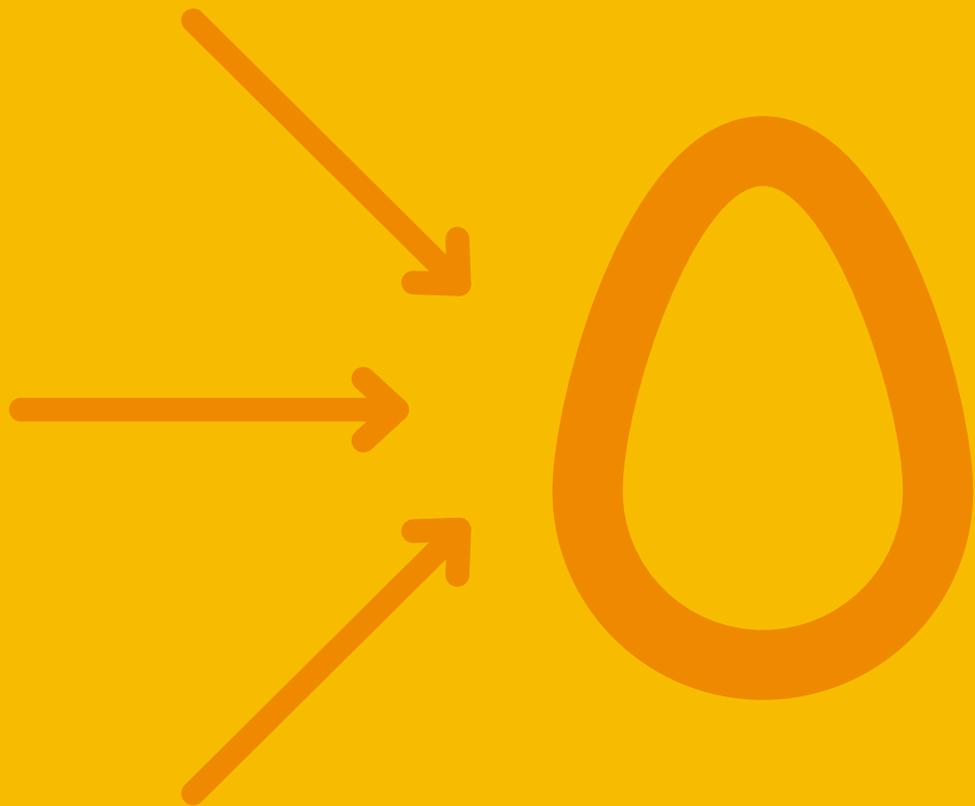
The Investment Manager will receive 25% of the net profit achieved on any returns under 5x ROI and 30% of the net profit achieved on any returns equal to or over 5x ROI.

Both the Management Fee and Performance Fee are outlined in the table below:

Fee Type	Payment Date	Amount
Set-Up & Management Fee	On subscription	10%
Hurdle & Performance Fee	On each Portfolio Company exit	25% or 30% net profit (Based on ROI)
Costs & Expenses	Ad-hoc	A typical investor should expect to pay no Ad-Hoc fees

13

ENTERPRISE INVESTMENT SCHEME



Investor Tax Reliefs

The summary below provides an indicative guide to the Enterprise Investment Scheme (EIS) and is based on current understanding of UK tax law and practice. It does not set out all of the rules or regulations that must be adhered to and should not be interpreted as the provision of tax, legal or financial advice. Investors are strongly recommended to seek independent professional advice on the tax consequences of acquiring, holding and disposing of qualifying shares before proceeding with an investment into the Fund.

The Fund has been structured to enable Investors to claim EIS tax reliefs on the amount of their investment in qualifying shares, as described below. Whether an Investor meets certain conditions for qualifying for these reliefs, and the amount and timing of these reliefs, will depend on the individual circumstances of each Investor and may be subject to change in the future.

The availability of tax reliefs also depends on the Portfolio Companies maintaining their qualifying status.

For the avoidance of doubt: the Fund is open to investors who do not wish to or cannot claim EIS relief based on their size, tax jurisdiction or corporate structure.

Income Tax Relief

There is no minimum investment through EIS in any one company in any one tax year. Tax relief of 30% can be claimed on investments (up to £1m* in one tax year) giving a maximum tax reduction in any one year of £300,000*, provided you have sufficient Income Tax liability to cover it.

EIS allowances are allocated individually; therefore, a married couple could invest up to £2m* each tax year and be eligible for income tax relief. The shares must be held for at least three years from the date of issue or the tax relief will be withdrawn.

People connected with the company are not eligible for income tax relief on their shares.

*This limit has been doubled for knowledge-intensive companies from the 2018/2019 tax year.

Capital Gains Tax Exemption

Any gain is CGT exempt if the shares are held for at least three years and the income tax relief was claimed on them, meaning exits on investments with EIS tax reliefs attract 0% tax (provided they meet the relevant EIS requirements).

Loss Relief

If shares are disposed of at a loss, the Investor can elect that the amount of the loss, less income tax relief given, can be set against income of the year in which they were disposed of or on income of the previous year, instead of being set off against any capital gains.

Capital Gains Tax Deferral Relief

Payment of CGT can be deferred when the gain is invested in shares of a Qualifying Company. The gain can be made from the disposal of any kind of asset but the investment must be made one year before or three years after the gain arose – connection to the company does not matter. Unconnected investors are eligible for relief from both income tax and CGT deferral relief.

Inheritance Tax Exemption

Shares in Qualifying Companies provide 100% IHT relief after two years of holding such investment, so that any liability for IHT is reduced or eliminated in respect of such shares.

The above information is for guidance only and we always recommend you take professional advice regarding EIS benefits for your specific circumstances.

EIS Qualifying Companies

The Fund will only invest in companies which have received advanced EIS assurance from HMRC.

A company which has been trading for more than seven years (measured from its first commercial sale), and did not issue EIS, SEIS or VCT shares in its first seven years, is excluded unless it raises EIS/VCT money amounting to at least 50% of its five-year average turnover, and spends that money on entering a new product or geographic market.

Qualifying Companies have to satisfy a number of requirements at the time of the share issue and for the following three years. When the shares are issued the company must:

- Have gross assets of less than £15m, and no more than £16m immediately after the share issue.
- Have fewer than 250 'full time equivalent' employees.
- Be unquoted or on AIM or ISDX Growth and have no arrangements in place to become quoted on a recognised stock exchange.

At the time of the share issue **and** for three years after the share issue the company must:

- Be independent, i.e. not under the control of another company.
- Conduct a qualifying trade.
- Have a UK 'permanent establishment', though trading mainly in the UK is no longer a requirement.

There are also anti-avoidance rules to counter pre-arranged exits and any arrangements designed to reduce an investor's risk. Additionally, all money raised from the issue of EIS and VCT shares must be used to grow and develop the business and must not be used to make acquisitions of either another company's shares, trade or certain types of trading asset.

Seed Enterprise Investment Scheme

As set out in section 7, Haatch focuses on early-stage investment opportunities and therefore occasionally comes across an Initial Seed investment opportunity eligible for SEIS relief.

SEIS investment is the first, highest-risk investment. For further information, please visit <https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-the-seed-enterprise-investment-scheme>. On applying to the Fund, Investors may indicate whether they wish for any of their investment to be, if possible, treated as SEIS investment, but there will be no guarantee that any or all of such designated funds will be invested in SEIS (and may instead be invested in EIS) qualifying investments. **It is not the intention of this Fund to regularly look for, or make, SEIS investments.**

Therefore where Haatch comes across an SEIS qualifying company which has potential but does not meet the Fund's criteria for investment (having not yet made it through the investment process and matrix described in section 9), Haatch may take any of the following approaches, at the Investment Manager's sole discretion:

- Keep in contact with the company, encouraging it to find (or introducing it to) SEIS investment elsewhere, but looking to later make an EIS investment from the Fund if and when the company progresses to the next funding round.
- Any of the individuals within Haatch may provide SEIS investment, obtaining follow-on rights or opportunities for EIS investment by the Fund.

Where Haatch comes across an SEIS qualifying company which has potential and meets the Fund's criteria for investment, having made it through the investment process and matrix described in section 9, Haatch may take any of the following approaches, at the sole discretion of the Investment Manager:

- Where the Fund has sufficient Investors and sufficient investments, make an SEIS qualifying investment in the SEIS qualifying company; or
- Where the Fund has insufficient Investors and/or insufficient investments:
 - make an EIS investment in the company instead; or
 - offer the SEIS investment opportunity to Investors in their own right; or
 - offer the SEIS investment opportunity to any of the individuals within Haatch.

International Investors

The Fund is open to non-UK residents and taxpayers ("International Investors"), subject to eligibility.

The process for applying to the Fund is the same as for UK residents; however, International Investors will be subject to additional AML checks and their investments will not qualify for EIS relief – local tax laws will apply.

14
**FIND OUT
MORE &
HOW TO APPLY**

Fund Eligibility

The Fund is only open to professional clients as categorised under the FCA Rules. Professional clients are those which the Investment Manager, having undertaken an adequate assessment, considers to have the expertise, experience and knowledge (in light of the nature of the transactions and/or services envisaged) to make their own investment decisions having:

- Received, read and understood the risk warnings, as set out in Appendix 1.
- Been given a clear warning of the protections and compensation rights which the Investor may lose as a result of having been classified as a professional client.
- Provided the Investment Manager and Custodian such know your client, anti-money laundering and self-certification forms as required.
- Completed and passed the Investment Manager's Appropriateness Test.
- Stated in writing separate from the Application Form that they are aware of the consequence of losing such compensation and/or protection of a retail client as categorised under the FCA Rules.

Next steps

If you would like to apply to invest in the Fund, the Application Form can be found at <https://haat.ch/hvapply>.

Note: The Investment Manager or the Custodian may reject any Application Form in its reasonable discretion (for instance if relevant information or evidence is missing, there is insufficient information provided or the Investor has not satisfied the Appropriateness Test).

APPENDIX 1

RISK WARNINGS

Investing in the Fund may not be suitable for all investors. Prospective investors should be aware that investing in unquoted and immature companies (including Qualifying Companies) carries with it a high degree of risk and Investors may lose all or part of their investment.

Some principal risks relating to an investment in the Fund are set out below. The information above and below does not purport to be exhaustive. Additional risks and uncertainties, which may not be presently known, or which is currently deemed immaterial, may also have an adverse effect on the business of the Portfolio Companies.

1 Investment risk factors

- 1.1** Investment in the Fund is not suitable for all investors. It is the responsibility of each Investor to ensure that investment in the Fund is a suitable investment in the light of the information in this document and their personal circumstances, having taken appropriate independent professional advice.
- 1.2** The tax reliefs referred to in the Information Memorandum and the Investment Management Agreement are those currently available and their value depends on the individual circumstances of investors, initially, and will continue to do so throughout the life of the investment. Certain tax reliefs which are available to individuals will not be available to institutional investors (i.e. an investor who is (a) not a natural person and is not the Nominee or any other nominee holding EIS shares on behalf of a natural person, or (b) a natural person who cannot or does not obtain EIS tax reliefs, such as a foreign investor) (“Institutional Investor”).
- 1.3** The performance of the Fund is dependent on the availability of suitable and appropriate Portfolio Companies and the ability of such companies to perform in line with their respective business plans and to achieve anticipated investor returns at the time of realisation. Portfolio Companies may fail, investments may be realised for substantially less than the acquisition cost, or they may be impossible to realise at all. Portfolio Companies may accept other equity or debt capital which ranks higher than the Fund’s investments in an insolvency situation. The value of shares can fall as well as rise and Investors may not recover the full (or indeed any) of the amount of the funds invested. Investors should only consider investing if this is a risk they can afford to bear.
- 1.4** The subscription for shares in the Portfolio Companies and the performance of those shares will not be covered by the Financial Services Compensation Scheme or by any other compensation scheme.
- 1.5** Although the Fund has target returns, there is no guarantee that these or any returns will be made. The Investment Manager does not make any representation or warranty as to any returns which may or may not be made. You accept that any statements made in the Information Memorandum or elsewhere in respect of target or anticipated returns are aspirational and cannot be relied on.
- 1.6** It is noted that on 31 December 2020 the United Kingdom will leave the European Union. It is also noted that on 3 March 2020, the World Health Organisation declared COVID-19, otherwise known as the Coronavirus, to be a pandemic. The effects of the process to leave the European Union and/or the Coronavirus may cause a prolonged period of uncertainty and a potential economic downturn or recession. Any uncertainty and downturn/recession in the economy may have an adverse impact upon the prospects of the Portfolio Companies and therefore negatively impact the investments made by the Investors in the Fund.

2 Interests in the Fund

- 2.1 There is no liquid market on any public exchange, nor is there intended to be such a market, for investment via the Fund. Investments in Portfolio Companies will not be freely tradeable and there may be restrictions on transfer of shares. Investments made through the Fund will not be readily realisable investments.
- 2.2 Early-stage companies often require a series of investment rounds and additional investment may be required to maintain or increase the growth of the Portfolio Company. Failure to achieve these capital requirements may negatively impact the company's ability to grow and realise returns for investors, whereas subsequent investment is likely to dilute an investor's shareholding in a Portfolio Company.
- 2.3 The overall level of returns from the Fund's investments may be less than expected including but not limited to (i) where there is delay in the proposed timescales for investment, such that all or part of the net proceeds of the Fund are held in cash for longer than expected; or (ii) if the returns obtained on individual investments are lower than originally expected; or (iii) if investments cannot be realised at the expected time and value. There can be no guarantee that suitable investment opportunities will be identified in order to meet all of the Fund's objectives.
- 2.4 The timing of exits from Portfolio Companies may take longer than anticipated. An investment in the Fund should be considered a long-term investment. The Fund aims to find exit opportunities from Portfolio Companies within certain time periods, but it is probable that investments may be held much longer.

3 Rolling Fund

- 3.1 As a Rolling Fund, subscriptions raised at different intervals will form monetary sub-funds each of which will invest in Portfolio Companies so long as funds are available within the relevant monetary sub-fund to so invest. Therefore, Investors in subsequent sub-funds will not share the success or bear the loss of previous investments, except and to the extent that the relevant sub-fund participates in follow-on rounds in existing Portfolio Companies.
- 3.2 Investments will be held by the Nominee for and on behalf of only those Investors of such sub-funds which invest in a Portfolio Company and such investments will be held for such sub-fund Investors pro-rata to their underlying subscriptions so invested from time to time. This means that Investors may be more or less diluted from time to time in respect of their share of relevant investments, dependent upon the success of fundraising in the interval in which the Investors invested as compared to previous and subsequent fundraises.

4 The Investment Manager

- 4.1 The past performance of the Investment Manager and its management team from time to time, or of any investments invested in or managed by them, is not necessarily a guide to the future performance of the Fund.
- 4.2 Changes or disruptions to the Investment Manager including but not limited to change of control, the insolvency, the resignation or departure of the Investment Manager can have an adverse effect on the Fund's performance.
- 4.3 The departure or health of any of the key employees of the Investment Manager could have an adverse effect on the Fund's performance.

5 Portfolio Companies

- 5.1 Investment into early-stage, unquoted companies, by its nature, involves a high degree of risk. Proper information for determining the value of such investments or the risks to which such investments are exposed may not be available. Investment in such companies can offer good potential investment returns but the markets for their shares are often illiquid and uncertain. Consequently, investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger or quoted companies. Realisation of investments in unquoted companies can be difficult and may take considerable time. Further, technology- or scientific research-related risks may be greater in unquoted companies.

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- 5.2** Smaller companies may generally have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Although the Fund will seek to receive conventional investor rights in connection with its investments, as a minority investor it may not always be in a position to fully protect its interests and the interests of its investors.
- 5.3** There is no guarantee that the valuation of a Portfolio Company will fully reflect the underlying net asset value or the ability to buy and sell the investment at that valuation.
- 5.4** There can be no guarantee that the development plan can be achieved or that the business will have commercial value.
- 5.5** The Fund will in most cases take minority holdings for ordinary shares in Portfolio Companies and only basic investor protections will be sought at the time of investment. The Fund will where possible reserve board rights on the boards of Portfolio Companies, but such board positions may be held by a representative of the Investment Manager. The Fund may choose not to nominate a director to the board of all Portfolio Companies from time to time. As such there can be no guarantee that the Fund will be able to influence the strategy and decision making of the Portfolio Companies if other shareholders holding a larger stake take different views on the future direction of the business.
- 5.6** Small businesses are highly dependent on the skills of their management teams. The departure of any of a Portfolio Company's directors or key employees could have a material adverse effect on the business of that Portfolio Company.
- 5.7** While any valuations will be conducted in line with the International Private Equity and Venture Capital Guidelines from time to time, no warranty is given on any valuations provided to investors that any such valuation is capable of being attained on a realisation of the investment.

6 Future Statements and Changes

- 6.1** This document includes statements that are (or may be deemed to be) "forward-looking statements", which may be identified by the use of forward-looking terminology including the terms "believes", "continues", "expects", "intends", "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. Investors should not place reliance on forward-looking statements. 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 document, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future.
- 6.2** Legal and regulatory changes could occur during the life of the Fund that may adversely affect the Fund or its investors. These may include tax, environmental, safety, labour and other regulatory and political authorities, or force majeure acts, terrorist events, or other operating risks.
- 6.3** Legal and regulatory changes, changes in government policies, effects on international trade, market volatility and/or fluctuations and other factors including during and following Brexit may have a significant effect on the Fund.

7 Taxation Risk Factors

- 7.1** Certain tax reliefs which are available to individuals will not be available to Institutional Investors.
- 7.2** Rates of tax, tax benefits and allowances referred to throughout this Information Memorandum are based on current legislation and HMRC practice. These may change from time to time and are not guaranteed.
- 7.3** Changes in rules, regulations and legislation relating to the EIS legislation may affect the ability of this product to meet its objective and/or reduce the level of returns that might have otherwise been achievable.
- 7.4** The tax reliefs referred to in this Information Memorandum are those currently available and their value depends on the individual circumstances of the Investors.

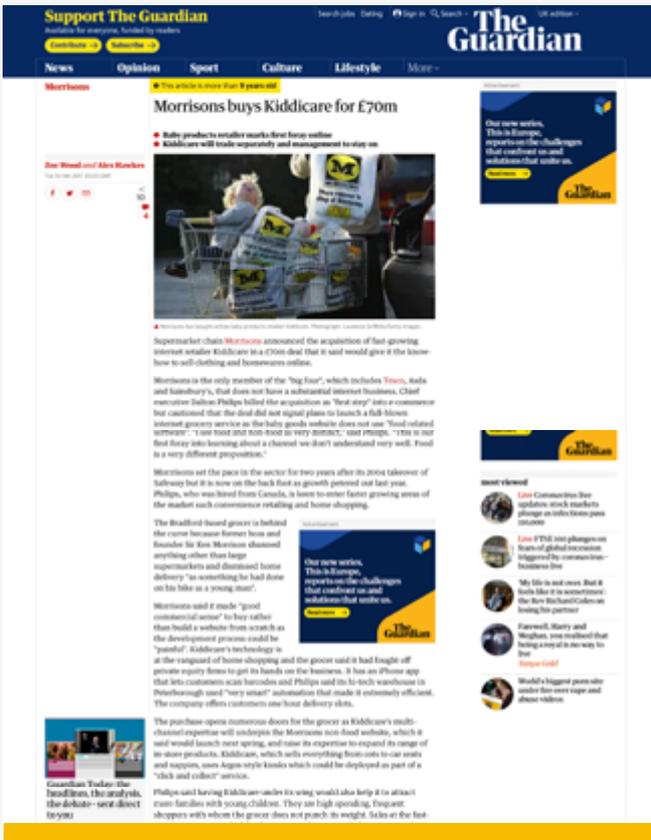
- 7.5 The Fund will be invested in unquoted companies which the Investment Manager reasonably believes are Qualifying Companies at the time of investment. Investors should note that there is no guarantee that such companies are or will remain Qualifying Companies at all times thereafter and that the continued availability of EIS qualification depends on compliance with the requirements of the EIS legislation by both the Investor and the Portfolio Company and is further dependent upon consistency in such legislation and consistent interpretation and guidance in relation to such legislation.
- 7.6 Until a realisation in any Portfolio Company is achieved, the Investment Manager will where practicable seek to ensure that the Portfolio Company complies with the EIS rules but only to the extent that (i) it is a condition precedent to the investment that the company obtains advance assurance as a Qualifying Company (but the Investment Manager will not necessarily conduct any review of the application for EIS advance assurance or review of the EIS advance assurance itself) and (ii) the Investment Manager shall seek to ensure that the terms of the investment includes undertakings by the company (and if appropriate, its managers) to remain a Qualifying Company so long as it is reasonably practicable to do so and/or warranties from the Portfolio Company and/or managers that the company is a Qualifying Company and that the shares are capable of attracting EIS reliefs. However, tax relief may be withdrawn in certain circumstances and none of the Investment Manager or its Associates (as defined in the Investment Management Agreement), or any of their respective directors, employees, agents or shareholders will have any liability for any loss or damage suffered by you or any other person in consequence of such relief being withdrawn or reduced.
- 7.7 Where an Investor or a Portfolio Company ceases to maintain EIS status in relation to any individual investment, it could result in loss of some or all of the available reliefs and the requirement to repay any rebated tax.
- 7.8 The Investment Manager retains complete discretion to realise an EIS investment at any time, including within the three-year qualifying period. In such circumstances, some or all of the EIS reliefs relating to that particular investment will be lost. In making such a disposal, the Investment Manager is not obliged to take into account the tax position of Investors, individually or generally.
- 7.9 No assurance can be given that EIS status will be maintained or granted for the three-year period that the investment needs to be held for Investors to benefit from EIS reliefs.
- 7.10 It is not the intention of this Fund to regularly look for, or make, SEIS investments. Although the Fund allows for SEIS investment, this is solely at the discretion of the Investment Manager and as set out in the Investment Memorandum. There may be insufficient SEIS deal flow to meet Investor SEIS preferences. Investors having indicated a willingness to take up SEIS who then do not do so may dilute the availability of SEIS for others. Where an SEIS-qualifying company has potential but does not meet the Fund's criteria for investment the individuals within Haatch may provide SEIS investment; if such company is thereafter successful this may prove advantageous to Haatch and the Fund and its returns will be unaffected where such company is thereafter not successful.

8 Pooling

- 8.1 The Custodian has elected to hold the Investor's cash as client money (as defined in the FCA Handbook) in accordance with the FCA rules on client money (CASS), and accordingly Investors are afforded the highest level of protection over their cash as their cash will be segregated from the Custodian's own assets. The custody agreement can be viewed in the Haatch Investor Portal or via the following link: <https://haat.ch/mainspring-custody-agreement>
- 8.2 The Custodian will hold your money pending investment using a segregated omnibus account which will have trust status and will be kept separate from any money belonging to the Custodian.
- 8.3 The Custodian and Nominee will maintain at all times sufficient records to show your beneficial interest in the whole number of EIS shares allocated to your Portfolio and the cash within your Portfolio. However, please note that Investments held by the Custodian for the account of your Portfolio may be pooled with other holdings held by the Custodian. Such Investments may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record and, should the Custodian default, you may share in any shortfall in proportion to your original share of any Investments in the pool.

APPENDIX 2

AWARDS AND ACQUISITIONS



Kiddicare.com awards

Kiddicare.com was a world leader in technology.

We selected worldwide start-ups to create leading first of their kind award-winning customer experiences.

- **Revolution Technology Award**
Best UK Search
- **Retail Systems Award**
Best UK Kiosks
- **Retail Week Technology Award**
Best UK Kiosk Initiative
- **Retail Week Technology Award**
Best UK Multichannel Business
- **Retail Systems Award**
Best UK Multichannel Business
- **Retail Systems Award**
Company of the Year
- **IMRG Awards for Excellence**
Best Customer Experience
- **European Call Centre**
Best European Customer Service
- **Online Retail Awards**
Retail Mobile Website of the Year
- **Snow Valley Golden Chariot Awards**
Best UK Delivery Service
- **Which?**
7th Best Online Shop

Acquisitions totaling over
£3 billion

Kiddicare.com technology acquisitions

SELECTING WINNERS...

We selected winners. Our biggest mistake was not owning any equity and we witnessed the following acquisitions from the Kiddicare.com platform.

- **Get Satisfaction**

2015 Sprinklr Acquisition \$40m-\$50m

First international customer. Created a customer-centric community.

- **Hook Logic**

2016 Criteo Acquisition \$250m

First European customer.

- **Postcode Anywhere**

2017 Gb Group Acquisition £74m

Taken for granted now, Postcode Anywhere provided immediate address lookup enabling a streamlined checkout process.

- **Liveclicker**

2019 CM Group Acquisition

First international customer. Advised on roadmap and developed a product centric .tv platform.

- **10CMS**

Unicorn Status

Powered flash on across Kiddicare.com and worked closely to develop roadmap and launch of HTML 5 product. First customer.

- **Responsys**

2013 Oracle Acquisition \$1.5bn

Kiddicare-wide ECRM solution which was later rolled out to morrisons.com.

- **Esendex**

2013 Darwin Private Equity MBO £11m

Powered our text messaging solution including delivery notifications. First in Europe.

- **Parature**

2014 Microsoft Acquisition \$100m

First international customer.

- **Coremetrics**

2010 IBM Acquisition

Advisory board and early user of Coremetrics for all web analytics.

- **Cybersource**

2010 Visa Acquisition \$2bn

Powered our own Kiddicare.com checkout.

- **Endeca**

2011 Oracle Acquisition \$1.1bn

First to use Endeca & IBM together. Argos, Halfords and many more copied. Advisory board and reference site.

elevaate

Elevaate Awards



The Grocer Gold Awards 2017



IDG Business Awards 2015



Retail Week Startup of the Year 2015



Retail Week Awards 2016



Gartner Cool Vendor 2016



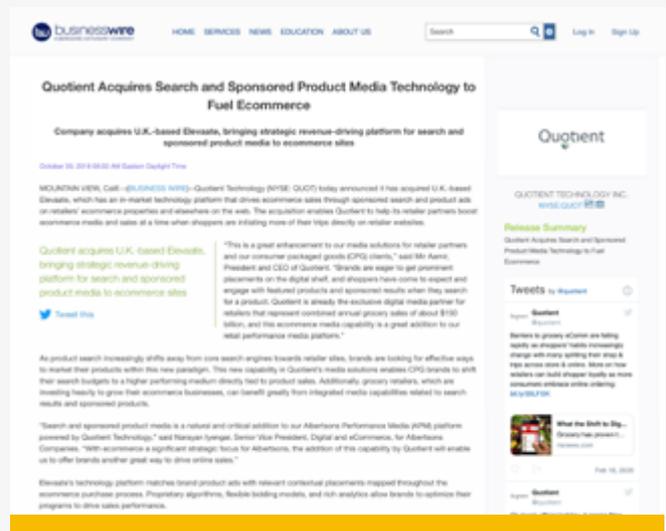
Retail Systems Awards 2015



Retail Week Tech & Ecomm Awards 2015

Elevaate Acquisition

Elevaate was acquired by Quotient Technology Inc. (NYSE: QUOT) based in Mountain View, California in October 2018, four years after investment from Haatch, and smashed Haatch's return target providing a return on investment of 276x.





Zazzle Media Acquisition

Zazzle Media was born out of sole founder Simon Penson's understanding of the shifting consumer need and a rapidly maturing digital landscape.

Having seen first-hand how audiences were migrating online in the mid-2000s from his role as a national magazine editor and the growth of his early affiliate sites group (sold in 2007 to private investors), it was clear that the growing band of internet businesses were going to require 'real' marketing. Zazzle Media was born to service that need in 2009.

In the following six years, Simon grew the business from the corner of his living room into an international agency of repute.

That growth story included a merger with Leeds-based data and search agency Stickyeyes in 2015 to create the UK's largest independent search and content agency.

As a result of the move, the globe's fourth-largest advertising and marketing network acquired the combined company in a deal worth up to £37m in 2016.



"In the following six years, Simon grew the business from the corner of his living room into an international agency of repute."

APPENDIX 3

INVESTMENT MANAGEMENT AGREEMENT

1 Definitions, Construction and Interpretation

1.1 In this Investment Management Agreement unless otherwise indicated the following definitions shall apply:

AIM the Alternative Investment Market of the London Stock Exchange

Business Day a day on which banks are open for business in England other than a Saturday or Sunday or bank holiday

Application Form the application form to invest in the Fund, completed by the Investor and submitted to the Custodian online

Application Instructions the application instructions set out in the Information Memorandum and Application Form setting out the actions to be completed by you in order to invest in the Fund

Associate any person or entity which (whether directly or indirectly) controls or is controlled by the relevant person. For the purpose of this definition "control" shall refer to the ability to exercise significant influence over the operating or financial policies of any person or entity

Closing Date the date when your relevant Application Form is accepted by the Custodian and your relevant Subscription is received in cleared funds by the Custodian

Connected has the meaning set out in within and sections 166 to 170 ITA

Consent the consent in writing of the Investor Majority and the Investment Manager

Custodial Agreement the agreement for the provision of safe custody, administration, associated nominee and other services between the Investment Manager and the Custodian, dated on or about the date of this Agreement, as may be amended from time to time, set out at <https://haat.ch/mainspring-custody-agreement>

Control means control of the Portfolio Company as set out in section 139 ITA 2007

Custodian the administrator and custodian of the Fund, being Mainspring Nominees Limited, a private limited company registered in England and Wales with registered number 08255713 whose principal office is at 20-22 4th Floor, Bedford Row, London, England, WC1R 4EB or such other entity (which may be an Associate of the Custodian or a third party) as the Investment Manager may appoint to provide safe custody and administration (and related) services in relation to investments in the Fund

EIS the Enterprise Investment Scheme as set out in Part 5 of ITA

EIS Provisions the provisions of Part 5 ITA and sections 150 and 150 A, B and C and Schedule 5B of the Taxation and Chargeable Gains Act 1992 (in each case as inserted and/or amended from time to time)

EIS Reliefs the reliefs in respect of income tax and capital gains tax available to certain subscribers of shares pursuant to the EIS Provisions

EIS Shares shares in a Portfolio Company on which the Investor hopes to obtain EIS Reliefs

FCA the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN

FCA Rules the rules and regulations contained in the FCA's Handbook of Rules and Guidance, as amended from time to time

Fees the Management Fee, the Performance Fee and any other fees and expenses accruing to the Investment Manager under this Investment Management Agreement

FSMA the Financial Services and Markets Act 2000

Fund the Haatch Ventures Enterprise Investment Fund, constituting the investments made on behalf of all of the respective Investors, each of whom retain beneficial interests in the shares in Portfolio Companies allocated to them, the legal title to which interests are held by the Nominee, but which the Investment Manager manages on behalf of all of the Investors on a collective basis

Information Memorandum the Haatch Ventures Enterprise Investment Fund unapproved marketing brochure applicable to you at the time of your delivery of your signed Application Form to the Investment Manager

Initial Subscription in relation to you, the initial amount accepted by the Investment Manager to be subscribed by you in the Fund, or in relation to the Fund, the initial Subscriptions as at the first Closing Date

Institutional Investor an Investor who is (a) not a natural person and is not the Nominee or any other nominee holding SEIS Shares or EIS Shares on behalf of a natural person or (b) a natural person who cannot or does not obtain Reliefs, such as a foreign investor

Investment the investment by the Fund of Subscriptions into Portfolio Companies on behalf of Investors and "Investments" shall be construed accordingly

Investment Manager Haatch Ventures LLP authorised and regulated by the Financial Conduct Authority ("FCA") under FRN 916959, registered in England with company number OC421829 and with a registered office The Hub, Blackfriars Street, Stamford, Lincolnshire, PE9 2BW, or such other suitably regulated Investment Manager as may be appointed under the terms of this Investment Management Agreement

Investment Policy the Investment Policy set out at Appendix 4 of the Information Memorandum

Investor a person whose application form is accepted by the Investment Manager, becoming a party to this Investment Management Agreement and an investor in the Fund

Investor Majority the Investors having subscribed 75% or more of the Subscriptions from time to time

ITA Income Tax Act 2007

Management Fee the fee referred to in clause 9.1

Maximum Fund Size a maximum aggregate of Subscriptions which the Investment Manager considers the Fund can reasonably invest

Nominee MNL Nominees Limited (company number 09512864) or such other nominee as may be appointed by the Custodian (which is a non-trading wholly owned limited company subsidiary of the Custodian) which will be the registered holder of your Portfolio

Performance Fee the fee referred to in clause 9.2

Portfolio investments in any Portfolio Companies from time to time made through the Fund (including any un-invested cash) managed by the Investment Manager plus all income and capital profits arising thereon

Portfolio Company any company invested in by the Fund pursuant to this Investment Management Agreement from time to time

Qualifying Company a company which is a qualifying company for the purposes of SEIS Reliefs and/or EIS Reliefs as the case may be

Qualifying Investments investments by an individual into shares of a Qualifying Company as defined in Chapter 4 Part 5 of the ITA which are eligible for SEIS Reliefs and/or EIS Reliefs as applicable

Relevant Laws all relevant laws, regulations and rules, binding on the management of the Fund and the Investments including those of the FCA

Risk Warnings the risk warnings set out at Appendix 1 of the Information Memorandum

SEIS the Seed Enterprise Investment Scheme as set out in Part 5A of ITA

SEIS Provisions the provisions of Part 5A ITA and sections 150 E, F and G and Schedule 5BB of the Taxation of Chargeable Gains Act 1992 (in each case as inserted and/or amended from time to time)

SEIS Reliefs the reliefs in respect of income tax and capital gains tax available to certain subscribers of shares pursuant to the SEIS Provisions

SEIS Shares shares in a Portfolio Company on which the Investor hopes to obtain SEIS Reliefs

Shares shares in the capital of a Portfolio Company

Subscription subscription to the Fund accepted by the Investment Manager pursuant to this Investment Management Agreement and "Subscriptions" includes all subscriptions accepted from all relevant Investors at all times

Termination Date the date determined by the Investment Manager (acting reasonably in accordance with this Investment Management Agreement) on which the Fund will terminate

- 1.2 Words and expressions defined in the FCA Rules which are not otherwise defined in this Investment Management Agreement shall, unless the context otherwise requires, have the same meaning in this Investment Management Agreement.
- 1.3 Any reference to a statute, statutory instrument or to rules or regulations shall be references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 1.4 Words importing the singular include the plural and vice versa and words importing a gender include every gender and references to persons include bodies corporate or un-incorporate.
- 1.5 References to "you" refer to you being the person who has completed an Application Form which is accepted by the Investment Manager and so becomes a party to this Investment Management Agreement and an Investor in the Fund.
- 1.6 Unless otherwise indicated, references to clauses shall be to clauses in this Investment Management Agreement and references to Appendices shall be to appendices of the Information Memorandum.
- 1.7 Headings to clauses in the Investment Management Agreement or paragraphs of the Appendices are for convenience only and shall not affect the interpretation of this Investment Management Agreement.

2 Investment Management Agreement

- 2.1 This Investment Management Agreement together with the Application Form will constitute a legally binding agreement between you and the Investment Manager to constitute and manage your investments collectively on a discretionary basis with the other investments in the Portfolio in accordance with the terms set out in therein.
- 2.2 You hereby appoint the Investment Manager as discretionary Investment Manager of your Portfolio.
- 2.3 The Investment Manager acting as agent of the Investors hereby appoints:

- 2.3.1 the Custodian to act as custodian and administrator of your Portfolio to hold client assets and money; and
 - 2.3.2 the Nominee to act as your trustee to hold legal title to your Investments on your behalf as beneficiary
- on the terms of the Custodial Agreement.
- 2.4 Your investment in the Fund will be operated on the terms and conditions of the Investment Policy and this Investment Management Agreement.
 - 2.5 This Investment Management Agreement shall supersede, replace and operate to the entire exclusion of any previous or other terms and conditions in relation to the formation and/or management of the Fund or your other investments in the Fund. For the avoidance of doubt where you have invested in the Fund at more than one Closing Date, the Investment Management Agreement in force at the time of your most recent investment in the Fund shall supersede, replace and operate to the entire exclusion of any previous Investment Management Agreement in relation to the formation and/or management of the Fund or your other investments in the Fund.
 - 2.6 This Investment Management Agreement will come into force (and therefore the Investment Manager will, at its discretion, start managing your Portfolio) on your first Closing Date.

3 Applications and Subscriptions

- 3.1 Your Subscription to the Fund will be made in accordance with the Application Instructions.
- 3.2 The Custodian may reject any Application Form at its reasonable discretion and the Investment Manager may direct the Custodian to reject any Application Form at its reasonable direction. In the event your Application Form is rejected, you will be notified immediately. In the event your Application Form is rejected, your Subscription shall be returned to you without interest as soon as reasonably practicable.
- 3.3 Your Initial Subscription amount must be at least £10,000 unless otherwise approved by the Investment Manager. The maximum amount (in aggregate) that you may subscribe to be managed by the Investment Manager in accordance with this Investment Management Agreement is £5,000,000. In the event that aggregate Subscriptions in the Fund exceed the Maximum Fund Size, the Investment Manager may in its sole discretion accept your application for only part of the amount so subscribed.
- 3.4 Any amount subscribed by you in excess of your Subscription (ie the amount accepted by the Investment Manager as your subscription pursuant to clause 3.3) together with any portion of your Management Fee attributable to such excess subscription shall be returned to you without interest as soon as reasonably practicable.
- 3.5 Although under no obligation to do so, you may from time to time make further Subscriptions in the Fund by further Application Forms in further closes which shall happen in quarterly intervals every year.
- 3.6 You may cancel your Subscription pursuant to clause 4 below, and you may make a withdrawal from the Fund, or terminate this Investment Management Agreement, pursuant to clause 16 below.

4 Cancellation Rights

- 4.1 You have the right to cancel your Subscription in writing to the Investment Manager within 14 days of the Closing Date of that Subscription provided that such right does not give you the right to cancel or terminate or reverse any Investment transaction executed on your behalf prior to such cancellation. You do not have any right to cancel, terminate or reverse any transaction executed on your behalf.
- 4.2 On cancellation the Investment Manager will as soon as possible (but no later than 30 days from cancellation) refund your Subscription provided that the Investment Manager reserves the right to retain such portion of your Management Fee on account of reasonable costs incurred by the Investment Manager or in respect of any other costs or expenses incurred in relation to the Fund.
- 4.3 If you do not exercise your cancellation right pursuant to this clause 4, clause 16 shall apply in respect of any termination of this Investment Management Agreement by Investors.

5 Client Categorisation and Fund Structure

- 5.1** The Fund will be the client of the Investment Manager. The Fund is a *per se* professional client as defined in the FCA Rules. As a professional client, the Fund will not have the protections applicable exclusively to retail clients under the FCA Rules. Certain of the FCA Rules will automatically be limited or modified in their application to the Fund. Certain of the FCA Rules will be capable of modification in their application to the Fund in relation to any business carried out by the Investment Manager under the terms of this Investment Management Agreement.
- 5.2** The Investment Manager will act in the interests of the Fund as a whole and the Investment Manager's role will be to manage the Fund collectively, acting in the best interests of the underlying Investors as a whole.
- 5.3** Investment in the Fund comprises a designated investment which offers exposure to underlying financial assets in a packaged form which modifies that exposure when compared with a more direct holding in the underlying financial assets and is therefore a Retail Investment Product as defined in the FCA Rules.
- 5.4** The Fund is a collective investment undertaking and an Alternative Investment Fund for the purposes of the Alternative Investment Managers' Directive (2011/61/EU), but not an unregulated collective investment scheme for the purposes of FSMA.

6 Investment Management Services

- 6.1** By entering into this Investment Management Agreement, you grant to the Investment Manager the right to select and manage, at its discretion, investments which correspond with the objectives and principles for the Fund as identified by the Investment Manager and as set out in the Investment Policy. The Investment Manager will, normally acting as your agent, have complete discretion to buy, sell, retain, convert, exchange or otherwise deal in investments and other assets of your Portfolio, make and withdraw deposits, exercise voting and consent and other rights, apply for issues and offers for sale and accept placings, underwritings and sub-underwritings of any investments, effect transactions on any markets or exchanges, negotiate and execute counterparty and account opening documentation, take all routine or day-to-day decisions and otherwise act as the Investment Manager thinks appropriate in relation to the management of the Portfolio, but subject always to the provisions of this Investment Management Agreement. You acknowledge receipt and understanding of the Investment Policy and the Risk Warnings and acknowledge that the Investment Manager has not provided you with advice about this product.
- 6.2** You hereby authorise the Investment Manager to act on your behalf and in your name or via the 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 and managing your Portfolio and this authority shall be irrevocable and shall survive, and shall not be affected by, your subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution. This authority (subject to clause 16.5) will terminate upon your complete withdrawal from the Fund pursuant to clause 16. If determined necessary by the Investment Manager you undertake to execute a power of attorney in favour of the Investment Manager appointing the Investment Manager as your attorney to carry out any action which the Investment Manager would otherwise have authority to carry out under this clause 6.2.
- 6.3** It is your responsibility (on the advice of your professional financial adviser if appropriate) to keep your financial circumstances, objectives and appetite for risk under review and to assess whether the specific investment selected by you remains suitable for your needs. The Investment Manager shall not be liable for any losses you suffer or incur as a result of your investment in the Fund (whether or not you have received advice from a professional financial adviser) and cannot and does not make any representation that such investment is suitable or appropriate for your specific needs and requirements.
- 6.4** Where you indicate your intention to subscribe for SEIS and/or EIS shares via the Fund, the Investment Manager will acquire Investments for your Portfolio which the Investment Manager reasonably believes to be Qualifying Investments at the time of acquisition (see paragraph 5 of the Investment Policy); however, the Investment Manager gives no commitment that: (i) you are a qualifying investor

for SEIS or EIS purposes, or that (ii) any such Investment will remain a Qualifying Investment at all times thereafter. Subject thereto, there shall be no restriction on the amount invested in any one Investment, or on the proportion of your Portfolio in any one Investment, or any particular type of Investment, or on the markets on which transactions are effected, unless specified in this Investment Management Agreement. If the Investment Manager sells Qualifying Investments on your behalf, there may be tax consequences about which you should speak to your adviser.

- 6.5 You should be aware that investments in your Portfolio are likely to be classified under FCA Rules as "not readily realisable". It may well be difficult or impossible to deal in such investments on a regular basis, for example because there is only a very limited market in which dealing is possible and the spread between the buying and selling price may be wide or because the Portfolio Company is unquoted.
- 6.6 The Investment Manager may arrange to exclude practising accountants or other professional persons from any investment which their professional rules prevent them from making.
- 6.7 Except as expressly provided in this Investment Management Agreement or otherwise authorised, neither the Investment Manager nor the Custodian nor the Nominee shall have any authority to act on your behalf or as your agent.
- 6.8 Notwithstanding the foregoing, you consent to the Investment Manager entering into the Custodial Agreement with the Custodian, on your behalf, acting as your agent.
- 6.9 Neither the Investment Manager nor the Custodian will give you investment or tax advice. This does not mean that you will not be provided with information on Investments held within your Portfolio from time to time. If the Investment Manager or Custodian gives you information on investments or markets such as market trends, investment analysis or commentary on the performance of selected companies, this is for information purposes only and should not be viewed as a personal recommendation or advice.

7 Custody

- 7.1 The Custodian shall provide services for the safe keeping of Investments. Investments will be registered in the name of the Nominee. Investments within your Portfolio will therefore be beneficially owned by you at all times, but the Nominee will be the legal owner of the Investments in the Portfolio. The Nominee will not carry on any activity except as instructed by the Investment Manager.
- 7.2 The Investment Manager shall arrange for the Custodian to provide services for the safe keeping of cash comprised in the Fund from time to time, including the settlement of transactions, collection of income and the effecting of other administrative actions in relation to the Investments.
- 7.3 You have accessed the Custodial Agreement via <https://haat.ch/mainspring-custody-agreement> and have read and understood the terms and confirm your acceptance of the terms of the Custodial Agreement.

8 Reports and Valuations

- 8.1 You will receive email confirmation of the completion of each Investment from the Investment Manager and contract notes will be provided by the Custodian for each transaction for your Portfolio at the instruction of the Investment Manager.
- 8.2 The Investment Manager will provide you with a report update at least quarterly, giving the valuation of the Portfolio and an update on the progress of each Portfolio Company. Investments will be valued in accordance with appropriate International Private Equity and Venture Capital Guidelines from time to time prevailing. Statements detailing any dividends received in respect of the Investments will be provided annually.
- 8.3 Details of dividends which are received in respect of the Investments will be provided in respect of each tax year ending 5 April and appropriate statements sent to the Investor within sections 1105(1), (2) and (3) of the Corporation Taxes Act 2010.

- 8.4 The Investment Manager and the Custodian will supply such further information which is in its respective possession or under its control as you may reasonably request as soon as reasonably practicable after receipt of such request.
- 8.5 Any contract notes, statements, reports or information so provided by the Investment Manager to you will state the basis of any valuations of Investments provided.

9 Fees and Expenses

9.1 Management Fee

- 9.1.1 The Investment Manager (or a person or persons nominated by him) will charge a one-off initial and management fee equating to 10% of your Subscriptions ("Management Fee").
- 9.1.2 The Management Fee will be paid in advance from Subscriptions on the relevant Closing Date for such Subscriptions.
- 9.1.3 Subject to clause 9.3, the fees of each of the Investment Manager, Custodian and Nominee will all be paid from the Management Fee. The Custodian may debit from any monies held on your behalf, any fees and charges due to the Custodian as and when such charges become payable.

9.2 Performance Fee

- 9.2.1 The Investment Manager will receive a performance fee equaling:
- (i) 25% of the amount of cumulative cash returned to the Fund from your Investments which is in excess of the amount invested by you in such Investments after a 100% hurdle; up to the point where you have received five times your investment. For clarification, once you have received a return equal to £1.00 per £1.00 invested (gross of any tax relief) any additional distributable cash will be paid as to 75% to you and 25% to the Investment Manager; after which
 - (ii) 30% of the amount of cumulative cash returned to the Fund from your Investments which is in excess of the amount invested by you in such Investments after a 500% hurdle. For clarification, once you have received a return equal to £5.00 per £1.00 invested (gross of any tax relief) any additional distributable cash will be paid as to 70% to you and 30% to the Investment Manager.
- ("Performance Fee")
- 9.2.2 In the event that the investments in your Portfolio are transferred into your name (or as you may otherwise direct) pursuant to clause 16, you agree that forthwith on any subsequent realisation of such Investments (whether by you or by your nominee and whether in cash or other consideration) you will pay the Investment Manager the Performance Fee which equals 2.5% for every 365 days the Investment Manager advised the Fund up to a maximum of:
- (i) 25% of the amount of cumulative cash (or other consideration) returned to you from Investments which is in value in excess of the amount of 1x your Subscriptions; or
 - (ii) 30% of the amount of cumulative cash (or other consideration) returned to you from Investments which is in value in excess of the amount of 5x your Subscriptions.

9.3 Additional Costs

- 9.3.1 Subject to the remainder of this clause 9, the Investment Manager will cover the running expenses of the Fund in excess of the Management Fee and no other costs of establishing or running the Fund will be charged to the Fund, but note other costs, including taxes, related to transactions in connection with the designated investment or the designated investment business may arise for an Investor that are not paid via the Fund or imposed by it.

9.4 VAT

9.4.1 All the above fees are exclusive of any applicable VAT.

9.5 Abort Fees

9.5.1 The Fund will bear any legal, accounting and other fees incurred by the Fund in connection with potential Investments which do not proceed to completion, subject to the obligations of the Investment Manager to use reasonable skill and diligence in minimising abort costs.

9.6 Creation Fees

9.6.1 The Investment Manager shall be responsible for any fees payable in respect of the creation of the Fund. Due Diligence Services and such costs or fees shall be borne from the Management Fee.

9.7 Portfolio Company Fees

9.7.1 The Investment Manager will not ordinarily but may (if in the Investment Manager's view it is in the best interests of the Fund to do so) charge to the Portfolio Company and may retain for its own benefit any introduction fees and directors' or monitoring fees which it receives in connection with introducing or monitoring Investments.

9.7.2 No other fees for services relating to fund raising, corporate Due Diligence Services, accounts, company secretary, legal advice and assistance in maintaining SEIS and/or EIS status shall be charged by the Investment Manager.

10 Obligations of the Investor

10.1 Your Portfolio to be established by this Investment Management Agreement is set up on the basis that:

10.1.1 you confirm that the information stated in your Application Form and otherwise provided to the Investment Manager and/or Custodian in relation to you and your investment in the Fund is true and accurate as at the date of your Application Form;

10.1.2 you will 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 your Application Form or in this Investment Management Agreement;

10.1.3 you will provide the Investment Manager with any information which it reasonably requests for the purposes of managing your Investments pursuant to the terms of this Investment Management Agreement;

10.1.4 where you are an individual and have so indicated that you wish to seek SEIS and/or EIS Relief on your Investments, you:

will notify the Investment Manager if any Investment is in any Portfolio Company with which you are Connected; or

will notify the Investment Manager if, within three years of the date of issue of shares by a Qualifying Company, you become Connected with the company or receive value from such company; and

10.1.5 where you are an Institutional Investor, that you will notify the Investment Manager if any Investment is in any Portfolio Company over whom you exercise Control or could exercise Control, whether directly or together with any person Connected with you.

11 Delegation and Use of Agents

- 11.1** The Investment Manager may delegate any regulatory or administrative services to the Custodian as is agreed between them from time to time.
- 11.2** Agents and subcontractors (including Associates) may be employed by the Investment Manager (and the Custodian where reasonable and as may be agreed with the Investment Manager) to perform any administrative, custodial or ancillary services to assist the Investment Manager (or Custodian as the case may be) in performing its services under this Investment Management Agreement, in which case it will act in good faith in the selection, use and monitoring of agents.
- 11.3** Any employment of agents and subcontractors shall not affect the liability of the Investment Manager under the terms of this Investment Management Agreement.

12 Best Execution

- 12.1** You agree that the Best Execution rules of the FCA are hereby waived. The Investment Manager will nonetheless take reasonable steps in accordance with this Investment Management Agreement in order to obtain the best execution results for its customers.
- 12.2** The Fund will execute trades outside a regulated exchange or multilateral trading facility. You authorise the Investment Manager to execute such trades on your behalf.

13 Dealing, Counterparties and Aggregation

- 13.1** In effecting transactions for the Fund, each of the Investment Managers will act in accordance with the FCA Rules.
- 13.2** Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of the relevant market, exchange or clearing house and the Investment Manager shall take all such steps as may be required or permitted by such rules and regulations and/or by good market practice. All transactions in Investments will be subject to the rules and customs of the exchange or market and/or clearing house through which the transactions are executed and to all Relevant Laws so that:
- 13.2.1 if there is any conflict between the provisions of this Investment Management Agreement and any such rules, customs or Relevant Laws, the latter shall prevail; and
- 13.2.2 action may be taken as thought fit in order to ensure compliance to any such rules, customs or Relevant Laws.

Investments will consist of a range of unlisted securities and, although some may in due course be traded on AIM, there is generally no relevant market or exchange and consequent rules and customs and there will be varying practices for different securities. Transactions in shares of such securities will be effected on the best commercial terms which can reasonably be secured.

- 13.3** All transactions will be effected in accordance with the rules and regulations of the relevant market, exchange or trading facility, and the Investment Manager may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.
- 13.4** The Investment Manager may aggregate your 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 your disadvantage, however, occasionally this may not be the case. The Investment Manager will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FCA Rules.
- 13.5** The Investment Manager will act in good faith 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 Investment Management Agreement.

14 Conflicts of Interest

- 14.1** The Investment Manager has implemented and shall continue to implement a conflicts of interest policy that identifies those circumstances that constitute, or may give rise to, conflicts of interest that pose a material risk of damage to its customers. This policy also addresses the effective organisational and administrative arrangements that the Investment Manager maintains and operates to manage those conflicts. A copy of the Investment Manager's conflicts policy is available on request. In the event of an unforeseen material conflict of interest (not covered by this Investment Management Agreement or the conflicts of interest policy) arising, the Investment Manager shall look to ensure fair treatment of the Investors. If, in the Investment Manager's reasonable opinion, the unforeseen material conflict of interest cannot be managed, such conflict will be disclosed to the Investors.
- 14.2** The Investment Manager and the Custodian respectively may provide investment management, custodial or other services to any person and shall not in any circumstances be required to account to you for any profits earned in connection with any such services. However, the Investment Manager will use all reasonable endeavours to ensure fair treatment as between you and its other customers in accordance with the FCA Rules and its own conflicts policy.
- 14.3** The Investment Manager and any of its Associates may, subject to FCA Rules, and without prior reference to you, recommend transactions in which it or an Associate has, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with its duty to you. Neither the Investment Manager nor any Associate shall be liable to account to you for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions. For example, such potential conflicting interests or duties may arise in circumstances including but not limited to:
- 14.3.1 the Investment Manager or Associate may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving the Portfolio Companies;
 - 14.3.2 the Investment Manager may take an equity stake in a Portfolio Company (at a price not below the issue price available to you) (subject to clause 14.3.3 below);
 - 14.3.3 the Investment Manager's entitlement to Fees under this Investment Management Agreement or otherwise may be satisfied by subscriptions for shares by or on behalf of the such person and its directors, members, partners, employees, Associates and others with whom such may share its entitlement. Those shares may be subscribed at a price below the issue price available to you and may dilute the returns to you but only to the extent of the value of the performance incentive and subject to the Investment Policy;
 - 14.3.4 the Investment Manager or an Associate provides investment services for other customers;
 - 14.3.5 any of the Investment Manager's directors, members, partners, employees or Associates, or those of an Associate, is or may become a director of, holds or deals in securities of, or is otherwise interested in any Portfolio Company.

15 Liability

- 15.1** The Investment Manager agrees that it will act in good faith and with due skill and diligence in managing your Portfolio in accordance with this Investment Management Agreement. The Investment Manager accepts responsibility for loss to you only to the extent that such loss is finally and judicially determined by a competent court to be primarily attributable to its own:
- 15.1.1 negligence;
 - 15.1.2 wilful default; or
 - 15.1.3 fraud
- (each a "Cause") or the action of any of its Associates which constitutes Cause.
- 15.2** Where the Investment Manager has delegated any of its functions to an agent or subcontractor pursuant to clause 11.2, such delegator accepts responsibility for the acts and omissions of such delegatee as if they were its own.

- 15.3** If the Custodian should fail to deliver any necessary documents or to account for any investments, the Investment Manager will take reasonable steps on your behalf to recover such documents or investments or any sums due or compensation in lieu thereof but subject to its general duty of care, the Investment Manager shall not be liable for any failure of the Custodian.
- 15.4** Subject to clauses 11.3 and 13.5, the Investment Manager shall not be liable for the defaults of any person other than an Associate who holds cash, securities, legal title to assets and/or documents on your behalf including but not limited to agents, bankers, nominees and counterparties other than in relation to its duty to act in good faith with due skill and diligence in selecting and taking reasonable steps to monitor the same.
- 15.5** In the event of any failure, interruption or delay in the performance of the Investment Manager's or Custodian's or Nominee's obligations resulting from acts, events or circumstances not reasonably within its 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; disruption to stock market dealings; and acts of war, terrorism or civil unrest) the Investment Manager shall not be liable to you for consequent loss in the value of, or failure to perform investment transactions for the account of, your Portfolio.
- 15.6** Nothing in this clause 15 shall exclude or limit any duty or liability:
- 15.6.1 the Investment Manager may have to you under the regulatory regime and/or for its own fraud; or
 - 15.6.2 which otherwise cannot lawfully be omitted or excluded (including any duty or liability owed to you under the FCA Rules).
- 15.7** The Investment Manager shall not be liable for any loss or damage of any direct or indirect nature caused by the failure to achieve or retraction by HM Revenue & Customs of the SEIS and/or EIS status of any holdings within your Portfolio, or for any other changes in legislation.
- 15.8** None of the Investment Manager or the Custodian or the Nominee is responsible for loss of goodwill, profit, reputation, opportunity or any special or indirect losses, whether or not the Investment Manager or the Custodian or the Nominee has been advised of the possibility of such loss and howsoever occurred.
- 15.9** The Investment Manager does not give any representations or warranty as to the performance of the Fund. 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.
- 15.10** You hereby undertake to indemnify, and keep fully and effectively indemnified, the Investment Manager and the Custodian on demand from and against any and all liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses imposed upon, incurred by or asserted against either of them arising from or in connection with performance of our or their obligations under this Investment Management Agreement or arising from breach by you or any of your obligations or duties or representations you may be deemed to have given under this Agreement and/or the Application Form, provided that you will not be required to so indemnify the Investment Manager or the Custodian (as the case may be) where such liabilities, demands, actions, claims, proceedings, losses, damages, costs and expenses are finally and judicially determined by a competent court to be primarily attributable by the negligence, wilful default or fraud of the Investment Manager or the Custodian (as the case may be).
- 15.11** You (and your professional tax adviser) remain responsible for the management of your affairs for tax purposes.
- 15.12** The Investment Manager reserves the right to put such controls and limitations on any account opened on your behalf as it in its reasonable discretion deems fit in response to the requirements of any duly constituted authorities, including without limitation:
- a) the order of courts binding on the Investment Manager or duly recognised foreign courts;
 - b) HMRC; and
 - c) sanctions lists issued by HM Treasury and other similar bodies. For the avoidance of doubt, this clause 15.12 shall permit the Investment Manager to freeze your account.

16 Termination and Withdrawal

- 16.1** The Fund will terminate and this Investment Management Agreement will terminate on the Termination Date. The Custodial Agreement will terminate subject to its terms. The Investment Manager will notify you of the proposed Termination Date at least three months in advance.
- 16.2** On the Termination Date all investments remaining in your Portfolio will either be realised and the net cash proceeds after fees and charges transferred to you and/or transferred into your name or as you may otherwise direct, subject in each case to the Investment Manager's entitlement to the Fees.
- 16.3** If the Investment Manager:
- 16.3.1 gives you not less than three months written notice of its intention to terminate its role as Investment Manager under this Investment Management Agreement, having found a suitable replacement manager who has committed to take over management of the Fund; or
 - 16.3.2 ceases to be appropriately authorised by the FCA or becomes insolvent; or
 - 16.3.3 is required to step down by an Investor Majority
- it shall endeavour to make arrangements to transfer your Investments to another investment manager in which case the replacement investment manager shall assume the role of the Investment Manager under this Investment Management Agreement, failing which this Investment Management Agreement shall terminate forthwith and, subject to clause 9.2.2, the investments in your Portfolio shall be transferred into your name or as you may otherwise direct. For the avoidance of doubt where the Investment Manager is replaced pursuant to this clause the new investment manager, having entered into a deed of adherence to this Investment Management Agreement shall be deemed to be a party to this Investment Management Agreement in the place of the exiting investment manager.
- 16.4** Provided clause 16.3 does not apply, this Investment Management Agreement shall terminate in respect of you upon the payment to you of all sums due to you in accordance with clause 16.2.
- 16.5** Subject to clause 9.2.2, you are entitled to withdraw (i) Shares in your Portfolio at any time after the end of the period of seven years beginning with the date on which such Shares were issued and (ii) cash in your Portfolio at any time. You are not otherwise entitled, without the consent of the Investment Manager, to make withdrawals from the Fund save in the event that this Investment Management Agreement is terminated.
- 16.6** In addition to the rights set out at clause 9.2.2, the Investment Manager will have a lien on all assets being withdrawn or distributed from the Fund and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging your liabilities to the Investment Manager in respect of damages or accrued but unpaid Fees together with such person's charges (if any) in connection with transferring your Investments into your name or as you may direct. The balance of any sale proceeds and control of any remaining Investments will then be passed to you.
- 16.7** On termination pursuant to this clause 16, the Investment Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Investment Management Agreement.
- 16.8** Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that you will pay the Fees and expenses incurred up to and including the date of termination and payable under the terms of this Investment Management Agreement.
- 16.9** The following clauses shall survive termination: 9, 15, 17, 20 and 21.

17 Confidentiality and Data Protection

- 17.1** Subject to clause 17.5, the Investment Manager will at all times keep confidential all information acquired pursuant to this Investment Management Agreement, except for information which:
- 17.1.1 is in the public knowledge; or
 - 17.1.2 it may be entitled or bound to disclose under compulsion of law; or
 - 17.1.3 is requested by regulatory agencies; or
 - 17.1.4 is given to their professional advisers where reasonably necessary for the performance of their professional services; or
 - 17.1.5 is authorised to be disclosed by the relevant party; and each shall use all reasonable endeavours to prevent any breach of this clause 17.1.
- 17.2** None of the Investment Manager, or you shall disclose to third parties or take into consideration information either:
- 17.2.1 the disclosure of which by it would be or might be a breach of duty or confidence to any other person; or
 - 17.2.2 which comes to the notice of an employee, officer or agent of the Investment Manager or of any Associate of the same but properly does not come to the actual notice of that party providing services under this Investment Management Agreement.
- 17.3** The Investment Manager and the Custodian may verify your identity and assess your financial standing and may use any information it collects in respect of you for those purposes and for the purposes of meeting their respective obligations under all Relevant Laws, managing the Fund, administering the Investors' accounts and for service quality, product analysis and market research purposes.
- 17.4** All data which you provide to the Investment Manager and/or the Custodian is held by that party subject to the Data Protection Act 2018 and in accordance with the Custodial Agreement.
- 17.5** Certain information may be shared by the Investment Manager and/or Custodian with their Associates for administrative reasons. Each of them may share such information with credit reference agencies and UK and overseas law enforcement agencies or regulatory authorities and other relevant bodies as is necessary to carry out the services under this Investment Management Agreement. Your information is confidential and will not be used for any purpose other than in connection with the provision of services to Investors, unless it is information that is already publicly available.
- 17.6** You have the right, on request, to receive a copy of the information that the Investment Manager holds about you to the extent that it constitutes personal information.

18 Risk Warnings

- 18.1** You acknowledge and accept the Risk Warnings set out at Appendix 1 of the Information Memorandum. You acknowledge that this Investment Management Agreement cannot disclose all risks and other significant aspects of investments.

19 Borrowings

- 19.1** The Investment Manager will not borrow money for the Portfolio, nor lend securities or enter into stock lending or similar transactions.

20 Complaints Procedure and Compensation

- 20.1** If you have a complaint, in the first instance contact the Investment Manager. The Investment Manager and Custodian each have established procedures in accordance with the FCA Rules for handling complaints. If you are not satisfied with the way the Investment Manager has handled your complaint, you may be eligible to refer your case to the Financial Ombudsman Service (FOS). To get in contact with the FOS, you can call 0800 021 4567 or email complaint.info@financial-ombudsman.org.uk.
- 20.2** Investors may be eligible for compensation from the Financial Services Compensation Scheme (FSCS) in cases of loss arising from issues such as poor investment management or misrepresentation; or if the Investment Manager goes out of business and cannot return investments or money. For more details of how the FSCS investment protection scheme works, please see <https://www.fscs.org.uk/what-we-cover/products/investments/>.

21 General

- 21.1** This Investment Management Agreement and your Application Form comprise the entire agreement between you and the Investment Manager relating to the Fund.
- 21.2** If any term, condition or provision of this Investment Management Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Investment Management Agreement.
- 21.3** The Investment Manager may with Consent assign this Investment Management Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to you; provided that no such Consent or assignment is required in respect of a termination and replacement of the Investment Manager's appointment pursuant to clause 16.3. This Investment Management Agreement is personal to you and you may not assign it.
- 21.4** The Investment Manager may with Consent amend this Investment Management Agreement by giving you not less than 10 Business Days' written notice. The Investment Manager may amend this Investment Management Agreement with immediate effect on notice to you in writing in circumstances where it is required to do so in accordance with Relevant Laws or to reflect changes in regulation including but not limited to amendments required by the FCA Rules, in order to comply with HMRC requirements and/or where reasonable in order to maintain the EIS/SEIS Reliefs available to the relevant individual SEIS and/or EIS Investors.
- 21.5** Except that the Custodian shall have a right to enforce any right, benefit or protection accruing to it under this Investment Management Agreement, it is not intended that any term contained in this Investment Management Agreement shall be enforceable, whether by virtue of the Contracts (Rights of Third Parties) Act 1998, or otherwise, by any third party.
- 21.6** The Investment Manager will ordinarily communicate with you by email. The Investment Manager may send any communication to you at the postal address and/or email address in set out in your Application Form or any other postal address or email address you provide to it by written notice. You may communicate with the Investment Manager at the postal or email address set out in this Investment Management Agreement or as notified to you by the Investment Manager from time to time.
- 21.7** Notice sent by first class post is deemed to have arrived on the second Business Day after posting. Notice sent by email or hand-delivered is deemed to be delivered immediately if arriving prior to 5pm on a Business Day or on the next Business Day if sent or delivered on or after 5pm or if not sent on a Business Day.
- 21.8** This Investment Management Agreement and your Application Form are governed by English Law and the parties shall submit to the exclusive jurisdiction of the courts of England in respect of all claims whether contractual or non-contractual.
- 21.9** This Investment Management Agreement and your Application Form are supplied in English, and the Investment Manager and Custodian will only communicate in English during the course of their respective relationships with you.

APPENDIX 4

INVESTMENT POLICY

1 Investment Criteria

- 1.1 The Fund shall make investments in early-stage, digital enabled, Qualifying Companies.
- 1.2 Portfolio Companies shall be recommended for investment by the Fund by the Investment Manager, having been assessed via the Deal Matrix process (“Haatch Deal Flow”) as set out in section 9 of the Information Memorandum.
- 1.3 Nothing shall prevent the Investment Manager from investing the Fund into EIS qualifying investments in later-stage Portfolio Companies.
- 1.4 Nothing shall prevent the Investment Manager from making EIS qualifying follow-on investments into existing Portfolio Companies of any Haatch Group.
- 1.5 The Fund will invest in at least 4 Portfolio Companies for each Investor.

2 Investment Timing

- 2.1 The Investment Manager will aim to invest Subscriptions within 12 months of the Closing Date.
- 2.2 The Fund will where reasonably practicable hold Investments for a period of at least three years and will look to realise Investments as soon as reasonably practicable thereafter.

3 Investment Size and Scaling

- 3.1 The Fund will in funding rounds typically take part of between £100,000 to £5m, investing sums from £100,000 to £1m but may invest outside these perimeters at the discretion of the Investment Manager.

4 Co-investment and Follow-On Investment

- 4.1 The Fund may invest on its own or alongside other investors being business angels, investment funds, angel syndicates or corporate investors.

5 Performance of Management Services

- 5.1** In performing the management services set out in the Investment Management Agreement (“the Services”), the Investment Manager shall have regard to and shall comply with the Investment Objective (as defined below) and the Investment Restrictions (as defined below).
- 5.2** In performing the Services, the Investment Manager shall at all times have regard to (i) the desire for the Shares invested in by any Investors seeking EIS reliefs to attract the various tax advantages, including (but not limited to) Reliefs arising from subscriptions for shares in Qualifying Companies (“Tax Advantages”) and (ii) all Relevant Laws. The Investment Manager shall manage the Fund in the best interests of the Investors in the Fund as if all of the Investors in the Fund were EIS Investors.
- 5.3** The Investment Manager will use its reasonable endeavours to ensure that a Portfolio Company is a Qualifying Company. For the avoidance of doubt, such reasonable endeavours will be limited to:
- 5.3.1 taking any reasonably appropriate action arising from a notification expressly made pursuant to any notifiable circumstance under the Application Forms and/or clause 10.1.4 or 10.1.5 of the Investment Management Agreement (noting that the timing of such notification may be such that the Portfolio Company may have already lost its status as a Qualifying Company and the Investment Manager shall not be liable for the loss of such status); and
 - 5.3.2 it (unless the Investment Manager acting reasonably deems it impracticable to obtain the same in the time period required for the Investment) being a condition precedent of the investment that the Portfolio Company has obtained an advance assurance from HMRC that it is a Qualifying Company (but will not include any review of the application for advance assurance or review of the advance assurance itself); and/or
 - 5.3.3 the terms of the investment including undertakings by the Portfolio Company (and if appropriate, its managers) to remain a Qualifying Company so long as it is reasonably practicable to do so and/or warranties from the Portfolio Company and/or managers of that Portfolio Company that the Portfolio Company is Qualifying Company and that the relevant Shares are capable of attracting the relevant EIS Relief.

6 Investment Objectives of the Fund

- 6.1** The objectives of the Fund (“Investment Objectives”) are to:
- 6.1.1 offer Investors the opportunity to invest in qualifying Companies seeking expansion, development and early-stage capital; and
 - 6.1.2 generate capital gains; and
 - 6.1.3 facilitate (where possible) Investors obtaining the relevant Tax Advantages pertaining to them.

7 Investment Restrictions

- 7.1** Investments by the Fund are subject to the following restrictions (“Investment Restrictions”):
- 7.1.1 Investments will only be made after the first Closing Date;
 - 7.1.2 the Fund will not invest in warrants, units in collective investment schemes or in any other derivatives of any sort;
 - 7.1.3 the Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to proposed portfolio companies whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity which is illegal under the laws or regulations applicable to the Fund).

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