

Kuber Jupiter EIS Strategy

A diversified strategy of EIS managers who have a long and established track record of demonstrating their investment approaches in this market.

Risk Warning

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IMPORTANT:

Please note that Kuber carries out Due Diligence on the Managers/Providers but does not carry out due diligence on the underlying investee companies; the unquoted nature of these investments mean Kuber are forced to rely predominantly on the information provided on investee companies by the Manager/Provider and Companies House.

Great Point Ventures EIS Fund – Investee companies (for illustrative purposes only) *

* *This is an example of the pipeline portfolio companies an investor could expect. This list is subject to change at any time, and subject to market conditions and developments at the time of deployment and is not intended to represent any guarantee of allotment into any of these entities.*

The below is a summary of the investee companies we currently have in our portfolio and gives a good idea of the type of business an investor could expect to get exposure to through the Great Point Ventures EIS fund. Some of these companies may require follow on funding in the future and as such could form part of an investor's portfolio (no guarantees implied).

Brightlobe – A gaming platform that weaves together an innovative gameplay experience and a novel neurodevelopmental assessment for children.

Rabbit Track – Television production company led by actor James Norton (*War and Peace, McMafia*).

Maestro Media – A media focussed e-learning business.

Little Door Productions – A female-led television and film production company based in Cardiff.

Looper Insights – Software-as-a-Service technology enabling media industry clients to better management and grow their e-commerce revenues.

Camden Productions – Television production company focussed on creating premium comedic entertainment.

Factual Fiction – A Yorkshire-based television production company specialising in premium factual and scripted content.

Seven Seas Films – Television production company focussed on high quality scripted drama and television.

Programbuyer – Online marketplace providing buyers and sellers of content a single destination to list and search for a wide variety of content.

DDQ (Strategy Name) / Launch Date	Kuber Jupiter EIS Strategy / 04 Aug 2021
Scheme Name / Launch Date	Mercia EIS Fund / 01 Mar 2012
Manager / Date of FCA authorisation / AUM	Mercia Fund Management Ltd / 04 Jan 2011 / £940.0m
Operated S/EIS in their investment sectors since:	2012
How is the Scheme categorised (AIF, DMS etc.?)	Alternative Investment Fund
Scheme Strategy	EIS
Investment Sector (e.g. Media, Technology, Generalist etc.)	<u>Sector:</u> Technology <u>Sub-sector:</u> Sector agnostic, but we do a lot in medical devices, drug delivery, gaming and B2B software
Target Return	£2.50 per £1 invested (excluding tax relief) within 5 to 7 years
Target Diversification	12 investee companies
Exit Strategy	Sale, disposal, including secondaries, or listing of an investee company
Current Raise / Target Raise	<u>Current raise / Target raise: £68m/unlimited</u>
Stage of Investment	Early stage, seed to series A within the EIS fund
Closing dates (allotment dates)	Evergreen, with a series of sequential closed end funds. Next close 25th August 2021, with an expectation (but not guarantee) to deploy in the current tax year. Future closes on 31st December 2021 (minority deployed in this tax year) and 27th March 2022 (fully deployed in next tax year).
Deployment time frame (dealing frequency)	Fully deployed within 12 months of investment. Historical average 11 months, currently rolling average 6-9 months. We are an investemnt-lef fund, but understand the benefits of timely deployment.

Fee	Investor (including VAT)	Investee Company (including VAT)
Initial fee	1.8%	Variable, as negotiated with company (average 2.5%, but waived in many cases)
Annual fee	2.1% (payable for six years)	n/a
Performance fee	20% over £1	n/a
Other fee information	0.3% annual custodian fee (payable for six years)	Board directors' fees, as negotiated with company
Kuber special arrangements	n/a	

Current AUM	£940.0m
Number of investors	c.733 in EIS, c8,000 in VCT, plus institutional investors
Cash deployed	c.£60m
Cash returned to investors	c.£15m
Number of current portfolio companies	92
Number of successful exits	Four 8x exits and a 20x in the last year, many partial exits up to 5x, and various lower multiple exits 1x to 3x.
Number of failures	13
Available 3rd party reviews	MJ Hudson Allenbridge, MiCAP, Tax Efficient Review
Any changes in the management team in the last 6 months? (if so, please describe)	No
Please provide the latest Companies House accounts filing.	<i>Seen by Kuber. Available upon request.</i>

More detailed due diligence questionnaire available upon request.

Mercia EIS Fund – Investee companies (for illustrative purposes only) *

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Adapttech – The business has developed a unique IOT and sensor technology for aiding the fitting of artificial prosthesis. The product is classified as a Class 1 medical device and is designed to ensure that the fitting of the prosthesis is as efficient and accurate as possible, with the benefits being both to the patient (less discomfort and visits to clinic) and the Prosthetist, making them more efficient.

Axis Spine – Axis Spine Technologies (formerly Bridging Bone) are developing next generation spinal implants for anterior lumbar fixation. The company was founded by experienced spinal executive.

Corrosion Radar – Corrosion Radar has been in the EIS portfolio since July of 2017 when Mercia provided seed funding as the company spun-out of the University of Cranfield. The company has been developing equipment for the monitoring of corrosion in piping used in the chemical processing and oil & gas industries. In particular, the company is seeking to address corrosion under insulation (CUI) where visual inspection requires the periodic removal of the insulation wrapped around pipework. Removing and reinstalling the insulation is time-consuming and costly, particularly since some facilities may have hundreds to thousands of miles of piping. Corrosion Radar's sensors are installed under the insulation and can alert facility management as to when and where corrosion is taking place. This allows for pre-emptive maintenance and the potential savings that comes from avoiding unanticipated breaks/spills and the associated downtime.

Locate Biotherapeutics – Locate Bio ("Locate") is a Nottingham-based business developing a range of regenerative medicine therapeutics using a combination of proprietary technology and reformulation of existing market-ready products. The key technology exists in the form of a novel polymer which can be used to deliver potentially toxic or expensive medications or stem cells in a highly controlled fashion over a prolonged period of time.

Snappy Shopper – Snappy Shopper is an e-commerce digital platform that brings 'Convenience Stores to consumers doors' and has the vision of being the UK's leading application for convenience stores.

Cyan Forensics – Where once a police investigation might have looked for hairs and fingerprints, there can now be tens of digital devices that must also be seized and investigated, from laptops to memory sticks. There is a backlog of up to a year in police digital forensics labs to assess suspect devices for illegal contraband images and files. Scans and subsequent processing account for up to a week of police effort per hard disk. The Cyan Forensics approach allows for a very fast initial scan, of the order of 15 minutes, which can be repeated in order to improve accuracy. Cyan Forensics also produce an index of contraband which is shareable amongst agencies without giving access to contraband material.

DDQ (Strategy Name) / Launch Date	Kuber Jupiter EIS Strategy / 04 Aug 2021
Scheme Name / Launch Date	Par EIS Fund / 01 Jan 2012
Manager / Date of FCA authorisation / AUM	Par Fund Management Ltd / 20 Feb 2009 / £110.0m
Adviser / AUM	n/a
How is the Scheme categorised (AIF, DMS etc.?)	Alternative Investment Fund
Scheme Strategy	EIS
Investment Sector (e.g. Media, Technology, Generalist etc.)	<u>Sector:</u> Technology <u>Sub-sector:</u> Blend, with a focus on B2B deep-tech across 6 themes – 1. Enterprise software, 2. Healthcare and medical devices, 3. Energy and resources, 4. Food security, 5. Industrials and Space, 6. Digital Media and entertainment.
Target Return	Benchmark return (not target) of 15% IRR, which equates to £2.00 per £1 invested (excluding tax relief) after 5 years and £3.00 per £1 invested (excluding tax relief) after 7 years.
Target Diversification	8 investee companies
Exit Strategy	Sale, disposal or listing of an investee company
Current Raise / Target Raise	<u>Current raise / Target raise:</u> £20m to date / £10m - £25m per annum
Stage of Investment	Early stage, later stage
Closing dates (allotment dates)	Evergreen, next planned deployments in February and March 2021.
Deployment time frame (dealing frequency)	Target is within 12 months of subscription date. However, historic deployment rates have averaged 8.9 months into 8 companies.

Fee	Investor (including VAT)	Investee Company
Initial fee	1.00%	5.00%
Annual management fee	1.00%	minimum of £6k per annum (historic is 0.70%)
Performance fee	20%	n/a
Other fee information	Taken upfront: initial + 4 years of annual – i.e. 5%	n/a
Kuber special arrangements	n/a	

Current AUM	£110.0m
Number of investors	587 in the EIS Fund
Cash deployed	£15m for the EIS Fund (£95m across all Par entities)
Cash returned to investors	£2.9m for the EIS Fund – 4.3x money invested and 29% IRR £88m, for all Par investment vehicles – 3.4x money invested and 25% IRR
Number of current portfolio companies	41
Number of successful exits	7, plus a further 2 returning money below cost.
Number of failures	13 complete write-offs
Available 3rd party reviews	MJ Hudson Allenbridge, MiCAP, TER, Hardman & Co
Any changes in the management team in the last 6 months? (if so, please describe)	No.
Please provide the latest Companies House accounts filing.	<i>Seen by Kuber. Available upon request.</i>

More detailed due diligence questionnaire available upon request.

Par EIS Fund – Investee companies (for illustrative purposes only) *

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Current Health – Current Health has developed a remote patient monitoring platform, combining ICU-grade wearable monitoring with precise early warning alerts and video visits. The device contains several sensors which, powered by AI, provide continuous and accurate readings on the patient's health. The company is benefitting from a significant inflow of demand during the Covid-19 crisis, signing up new hospitals in the US and the UK. It has partnered with Mayo Clinic and Dexcom to develop new features in the technology and build out the platform and completed a \$43m Series B investment in April 2021.

Novosound – Novosound has created a groundbreaking technique for the mass-production of printable ultrasound sensors overcoming conventional limitations in the healthcare and industrial sectors. The thin-film core material is flexible, lightweight and capable of producing high resolution images. Since our initial investment, Novosound has transitioned from a research company into a fully-fledged product provider. To accelerate the opportunity, the company raised a further £3m of capital in December 2019 to launch the next generation of advanced products to the industrial non-destructive testing market and kickstart its OEM wearables project.

Speech Graphics – Speech Graphics delivers pioneering facial animation technology for the gaming sector and the Intelligent Virtual Assistant (IVA) market for clients such as Epic Games (Fortnite), Electronic Arts, Warner Brothers, Def Jam Recordings, Samsung and JPMorgan. The company is in the process of launching a cloud communication platform, designed to easily integrate visual conversational AI into mobile, IoT connected devices and web applications for the IVA market, providing an emotional connection currently lacking in customer service. To deliver the platform, the Company completed a £1.7 million funding round in March 2020.

RD Graphene – RD Graphene has developed a patent-pending process for the cost-effective generation of graphene at room temperature, on any surface, with cycle times in seconds. This method could potentially be scalable for high-volume production. Graphene is considered to be the world's thinnest, strongest and most conductive material of both electricity and heat. Indeed, it has been heralded as a miracle material for the 21st century. It can be used in a range of applications, from aerospace engineering to electronics and biomedicine. Now research is focusing on methods for large-scale manufacturing. Par is completing an investment into RD Graphene at the end of October 2020.

Datactics – Datactics has developed software that profiles, scores, cleans and reformats data for regulatory compliance and business growth. Its expanding client portfolio includes government departments, such as the UK Home Office and the Financial Ombudsman Service, as well as global banks and a wide range of firms operating in the financial sector, such as Brewin Dolphin, Bank of Ireland, Danske Bank, ING, UBS and Thomson Reuters. Since Par Equity first invested in April 2019, Datactics has grown revenue to £2 million in FY20 (despite Covid-19) and is projecting turnover of £7m by FY23. Par led the follow-on investment round of £2.2m into Datactics in March 2021.

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