



Deepbridge

LIFE SCIENCES SEIS

The Deepbridge Life Sciences
Seed Enterprise Investment Scheme

Product Overview

INNOVATIVE[™]
INVESTING

Funding advances in medical sciences

SEIS

WELCOME

The global life sciences industry is one of the leading sources of innovation available today. During the 20th Century, life science research has resulted in scores of breakthrough therapies and new methods for the early detection of disease. Major trends, such as the worldwide increase in populations over the age of 60, will drive the future need for an increasing range of new, cost-effective health care products for decades to come.

We live in unprecedented times, with digitalisation and decoding of the human genome, combined with sufficient computational power, providing a fertile backdrop for medical innovation to aim to solve the biggest health problems facing the world in this century. The global healthcare spend in 2010 was \$6.5trn with increasing population trends, ageing populations in developed nations, improving economic wealth and education levels of emerging markets driving future growth.



Here in the UK, 30% of the population suffers from a chronic condition and the World Health Organisation estimates some \$3.4bn is lost annually from the overall economy as a result of deaths from chronic conditions. The management of chronic disease has been estimated to account for 70-75% of all UK healthcare costs.

As Head of Life Sciences at Deepbridge, I believe our Seed Enterprise Investment Scheme offers investors the unrivalled expertise of the Deepbridge team and supervisory board, coupled with an opportunity to take advantage of the generous tax incentives offered through the current tax legislation. The opportunity to invest in a range of identified companies through the Deepbridge Life Sciences SEIS is both timely and compelling.

Yours faithfully,

A handwritten signature in black ink that reads "S Neophytou." The signature is written in a cursive style and is enclosed within a large, hand-drawn oval.

Dr Savvas Neophytou

Partner, Head of Life Sciences

OPPORTUNITY

The Deepbridge Life Sciences SEIS is an opportunity to secure potentially attractive returns by investing in a diversified portfolio of early-stage life science companies, whilst taking advantage of the considerable income tax, capital gains tax, and inheritance tax benefits available under the Seed Enterprise Investment Scheme.

The global Life Sciences industry is one of the leading sources of innovation. Over the past 100 years, life science research has resulted in scores of breakthrough therapies and new methods for the early detection of disease. Major trends, such as the worldwide increase in populations over the age of 60, will drive the future need for an increasing range of new, cost-effective health care products for decades to come.

INVESTMENT STRATEGY

The Deepbridge Life Sciences SEIS seeks to fund companies with exciting new technologies that satisfy the needs of large and growing markets. The overarching focus of the Deepbridge Life Sciences SEIS offers investors companies engaged in the development of therapeutics for the following areas:

- Biopharmaceuticals
- Biotechnology
- Medical technology including digital healthcare.

KEY TAX BENEFITS

The tax treatment and regulatory environment for the Deepbridge Life Sciences SEIS, and SEIS/EIS investments in general, may change from time to time depending on governmental and regulatory priorities and circumstances. There is no guarantee that the expected SEIS reliefs will always be available in the form expected. It is possible that some or all of the expected reliefs are withdrawn by the Government, potentially retrospectively.

The primary tax advantages available to investors are SEIS tax reliefs, whereby fund returns can be substantially enhanced subject to the personal circumstances of each Investor.

50% INCOME TAX RELIEF

50% income tax relief may be claimed against income tax paid of up to £100,000 per tax year per individual. Alternatively, an Investor can opt to treat an investment as having been made in the previous tax year, in whole or in part, such that 50% tax relief is available against income tax paid or payable for that year.

SEIS REINVESTMENT RELIEF

Reinvestment relief lets an individual treat 50% of a gain arising in a given tax year as exempt from CGT if you acquire SEIS shares. To get full SEIS reinvestment relief an individual must invest in SEIS shares an amount at least equal to the chargeable gain.

TAX FREE CAPITAL GAINS

There is no capital gains tax liability on gains on the disposal of shares which have been held for at least three years in SEIS qualifying companies.

100% INHERITANCE TAX EXEMPTION

Through the availability of Business Relief, there may be 100% inheritance tax exemption on the death of the investor for each individual investment that has been held for at least two years. Please note that HMRC will only assess whether your investment is Business Relief qualifying upon death and not at the time that the investment is made. Therefore, legislation at the time of death will be the basis for assessment for Business Relief eligibility.

LOSS RELIEF

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

Please note that tax benefits depend on personal circumstances, are not guaranteed, and rely on UK tax legislation which may change in the future. This is not an exhaustive list of SEIS tax rules and is only intended as guidance on SEIS. Nothing in this document shall be regarded as constituting tax advice and prospective subscribers should seek advice from a suitably qualified independent adviser before deciding whether or not to make an investment. No reliance should be placed upon the tax content herein.

INVESTMENT DETAILS



MINIMUM INVESTMENT
£10,000



COMPLIANCE STATUS
ALTERNATIVE INVESTMENT FUND



CLIENT TYPE
RETAIL & PROFESSIONAL



HMRC
ADVANCE ASSURANCE*



SECTOR
LIFE SCIENCES



DEPLOYMENT
USUALLY 6 MONTHS



CLOSING DATE
OPEN ENDED



MAXIMUM RAISE
UNCAPPED



TARGET RETURN
250P FOR EVERY 100P INVESTED



TARGET TIMESCALE
A MINIMUM OF 5-7 YEARS

DEEPBRIDGE CHARGES

There are no management charges levied on the investor at the point of investment for advised subscriptions received by a financial adviser, resulting in up to 100% allocation of subscription. This ensures up to 100% tax efficiency for investors. Deepbridge fees are paid by the Investee Companies and are disclosed in the Information Memorandum.

Performance fee: an incentive fee of 20% of cash returned, in excess of 150% of the funds invested tax. Please see the Information Memorandum for full details.

INVESTMENT CRITERIA

The Deepbridge Life Sciences Team seeks to invest in a portfolio of Investee Companies that possess some or all of the following attributes:

- A dominant focus on life sciences, specifically biotech/medical technology/biopharmaceuticals
- Possess a novel product or platform technology, eligible for funding via the Seed Enterprise Investment Scheme
- At start up/early growth stage, or with initial proof of concept secured (preclinical data or prototype design)
- Based in UK with global potential
- With patent protection in place or anticipated
- Founders must have common understanding of value creation with the Deepbridge team
- Must possess potential to leverage further research funding

Please note that not all attributes may be achievable in each investment.



EXAMPLE PORTFOLIO COMPANIES



Parkure's primary objective is the discovery of drugs that can prevent or inhibit the progression of Parkinson's disease. The Company's primary goal is to discover and co-develop drugs that stop the disease progression and the Company also aims to exploit any new drugs that lead to the improvement of symptoms. The Company uses an in-vivo (i.e. in living tissue rather than test tubes) drug discovery platform.



Tookie Ltd has developed a portfolio of innovative products which seek to assist patients with medical problems surrounding the securing of central venous catheters. The catheters are put in place to allow long-term medicine treatment for with the objective of reducing the risk of catheter lines being pulled out. The Company's focus is to ensure that their products are relatively simple to use, fit for purpose, and are comfortable for patients when fitted.



Fen EP Ltd is developing instrumentation for the prediction of sudden cardiac death, which can be a major issue for physicians, and health care providers.

The Company's device is intended to enable interpretation of complex data and enable clinicians to assess patients as high, medium or low risk. Patients considered low risk could then be managed by alternative methods and therefore may not need surgery.



IMPORTANT INFORMATION AND RISKS

The underlying investments are both illiquid and high risk, not suitable for all investors and investors should not consider investing unless they can afford the full loss of their investment.

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