

Deepbridge

TECHNOLOGY GROWTH EIS

The Deepbridge Technology Growth Enterprise Investment Scheme

Product Overview

**INNOVATIVE[™]
INVESTING**

Active investing for growth

EIS

WELCOME

Now is an exceptional time to invest in the Deepbridge Technology Growth EIS.

Through the combination of the high quality investment management experience of the Deepbridge team, coupled with an opportunity to take advantage of the generous incentives offered through the current tax legislation, the opportunity to invest in the range of identified companies through the Deepbridge Technology Growth EIS is both timely and potentially compelling.

The ability to develop, commercialise and adopt new technologies will define successful countries in the 21st Century. New digital technologies are changing how we live and work, how we interact with each other. Population growth is placing great strain on finite resources and economic maturation is driving aspirational change on a global basis.

At the same time, the world economy faces major societal challenges such as climate change and resource scarcity. These profound societal challenges underpin both product and process innovation, particularly that of a disruptive nature: on a global level, technological innovation is without doubt a major determinant of long-term economic growth, driving productivity and job creation, and opening up new markets to exploit.

Here in the UK, many early-stage technology companies have seen the emergence of a 'funding gap', as traditional sources of development and commercialisation capital move upstream due to their increased perception of risk, a result of adverse economic conditions in recent years. It is our opinion that this funding gap has revealed a compelling opportunity for investors to secure attractive entry terms into such businesses.

Therefore, now is potentially an advantageous time to invest in emerging technology opportunities via the Enterprise Investment Scheme (EIS). As well as considering the tax incentives, investors should also seek to engage an investment team that can not only identify attractive pre-commercialisation investment opportunities, but also actively mentor and assist these opportunities to accelerate their journey towards full commercialisation and in doing so unlock significant investor value.

We welcome your participation in the Deepbridge Technology Growth EIS.



Ian Warwick

Managing Partner, Deepbridge Capital



OPPORTUNITY

The Deepbridge Technology Growth EIS is an opportunity to participate in a portfolio of actively-managed growth focused technology companies, taking advantage of the potential tax benefits available under the Enterprise Investment Scheme. Participation in the Deepbridge Technology Growth EIS represents a unique opportunity to access the investment expertise of a knowledgeable team in possession of over 200 years of cumulative experience of successfully mentoring entrepreneurs and building successful businesses.

INVESTMENT STRATEGY

Deepbridge Technology Growth EIS is focused on investing in high growth companies that are seeking to commercialise and expand, specifically in three sectors:

- Energy & resource innovation
- Medical technology
- IT-based technology.

Deepbridge takes an active role (not just a Board seat) to guide, mentor and counsel the investee management team. The provision of hands on operational experience combined with financial expertise can materially mitigate the investment risk borne by the Investor, along with comprehensive due diligence on investee companies.

KEY TAX BENEFITS

Investors can, depending on their individual circumstances, enjoy some or all of the tax benefits available under the Enterprise Investment Scheme. The following is a general summary of the main current tax advantages that may be available to an Investor under the Enterprise Investment Scheme in respect of an investment made in an Investee Company during the tax year.

- **30% UPFRONT INCOME TAX** relief up to a maximum individual investment of £2m per tax year, subject to at least £1m being invested in Knowledge Intensive Companies (pending EU State Aid approval).
- **CAPITAL GAINS TAX** deferral of unlimited gains on the sale of any assets if an EIS investment made within one year before or three years after the date of the disposal of the assets which give rise to a gain.
- No **CAPITAL GAINS TAX** on the disposal of shares which have been held for at least three years in EIS Qualifying Companies.
- 100% **INHERITANCE TAX** exemption after EIS qualifying investment has been held for at least two years. Please note that HMRC will only assess whether your investment is Business Relief qualifying, and therefore eligible for 100% Inheritance Tax exemption, upon death and not at the time that the investment is made. Therefore, legislation at the time of death will be the basis for assessment for Business Relief eligibility.
- Income tax carry-back relief. Investors can claim income tax relief for the tax year in which they invest in the underlying companies, or in the year immediately preceding the investment. This enables the investor to claim tax relief in the period(s) most advantageous to him/her.
- **LOSS RELIEF** providing total tax relief of up to 61.5% for a 45% tax payer.

The above tax advantages can only be claimed at the time when the investment is made, rather than when an investor makes an initial subscription to the Deepbridge Technology Growth EIS. However, as investment monies will be deployed immediately, claims will be effected at the earliest opportunity. There is no limit to the amount of gains that can be deferred for CGT purposes. Please note that the terms of Enterprise Investment Scheme may change and the benefits available today may not be available in the future. The above does not constitute tax advice to any person, it is recommended that investors should seek personal advice from a qualified professional adviser.

Please note : The returns of the Deepbridge Technology Growth EIS are substantially enhanced with EIS tax reliefs, subject to the personal circumstances of each investor. This summary is based upon current UK tax law and practice and is intended as a guide only. Prospective Investors should consult their own professional advisers on the implications of investing in the Ordinary Shares. The summary below does not set out all the rules which must be met during the EIS Three Year Period by the Investee Company and the Investor. The tax treatment depends on the individual circumstance of each Investor and may be subject to change in future. The examples in this section are set out for illustrative purposes only. They are not, and should not be construed as, forecasts or projections of the likely performance of the Deepbridge EIS.

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 EIS tax rules and is only intended as guidance on EIS. 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



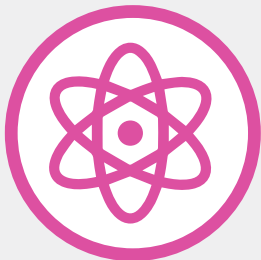
COMPLIANCE STATUS
ALTERNATIVE INVESTMENT FUND



CLIENT TYPE
RETAIL & PROFESSIONAL



HMRC
ADVANCE ASSURANCE*



SECTOR
DISRUPTIVE TECHNOLOGY



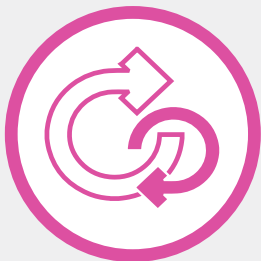
DEPLOYMENT
USUALLY MONTHLY



CLOSING DATE
EVERGREEN



MAXIMUM RAISE
UNCAPPED



TARGET RETURN
160P FOR EVERY 100P INVESTED



TARGET TIMESCALE
A MINIMUM OF 3-4 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.

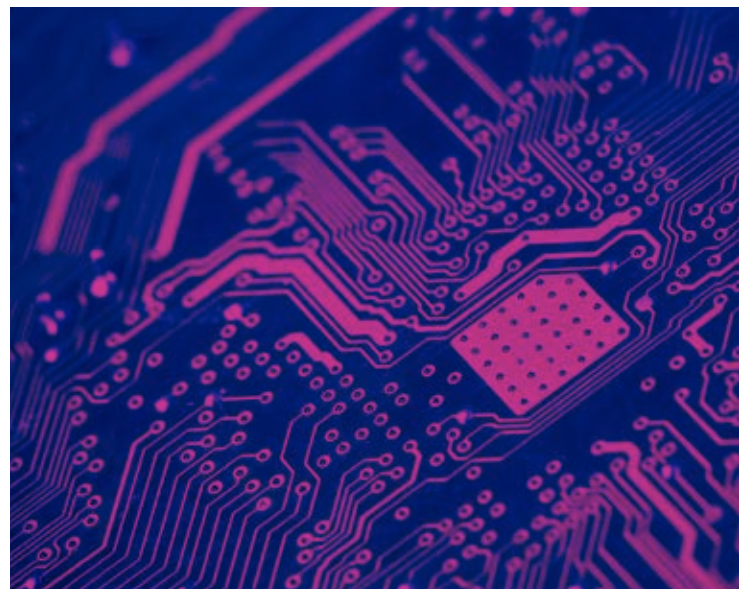
Performance fee: an incentive fee of 20% of cash returned, in excess of 120% of the funds invested. Please see the Information Memorandum for full details.

INVESTMENT CRITERIA

Deepbridge employs strict investment criteria in preparing and reviewing the investment opportunities it sources from its wide dealflow network. Generally, Deepbridge seeks investment opportunities that exhibit the following qualities:

- Significant market potential with clear need and market growth;
- Innovation-driven products that have the potential to create new market segments or displace current market offerings;
- Businesses that utilise a technology-derived platform and/or an innovative approach to meet a newly-identified or existing market demand;
- Technology-driven businesses with a clear and realistic path to commercialisation;
- Robust intellectual property which may or may not be patented or patentable IP protection;
- Passionate, energetic and experienced founding team; and
- Clear exit strategy to be implemented within 3-4 years with alignment of interests with our stakeholders.

Ultimately, Deepbridge will select companies which offer the opportunity to expand internationally, outside the UK, utilising many of the strengths, contacts and experience that the Deepbridge team possess in order to accelerate the growth of the business.



EXAMPLE PORTFOLIO COMPANIES



arbnco Ltd operates in the competitive field of real estate energy efficiency analysis and improvement modelling. It has developed a suite of proprietary software solutions by which commercial real estate owners and landlords can assess the energy efficiency of their commercial real estate holdings, and seek to meet their compliance reporting requirements under the EU Building Energy Efficiency Directive.



vTime Holdings Ltd is focused on developing and publishing innovative engagement and communication applications and technology for all emerging alternative realities (Virtual Reality / Augmented Reality / Mixed Reality - referred to collectively as xR) – extended reality), which is platform-agnostic (although primarily developed for mobile use) and has both consumer and commercial use cases. The first iteration of this is a free app called 'vTime'. vTime brings people together in virtual reality, allowing them to communicate, socialise, and share with each other. vTime is currently available on multiple platforms.



L3M Technologies Ltd

L3M Technologies Ltd seeks to develop and subsequently launch a wellness and fitness device, named 'Speedracer'. The Company has entered into a binding agreement with a high-profile worldwide brand to develop and subsequently launch an innovative wireless wellness wearable technology to be targeted at users seeking to optimise their physical performance.

The intended wearable device is intended to be seen as an enhancement to existing market products such as Apple Watch, FitBit, and Xiami, and will comprise hardware and software that communicates with and enhances current market offerings in the smartwatch/smart wristband markets.



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.

Deepbridge Advisers Limited (FRN: 609786) is registered in England & Wales, Company No. 08614835. Registered Office: Deepbridge House, Honeycomb East, Chester Business Park, Chester CH4 9QN. Deepbridge Advisers Limited is an Appointed Representative of Enterprise Investment Partners LLP which is authorised and regulated by the Financial Conduct Authority (FRN: 604439). Deepbridge Advisers Limited is a subsidiary of Deepbridge Capital LLP, a limited liability partnership registered in England & Wales, No. OC356449.

This document is a financial promotion pursuant to section 21 of the Financial Services and Markets Act 2000 (the Act) relating to the communication of invitations or inducements to engage in investment activity, issued and approved by Enterprise Investment Partners LLP.

This document does not constitute, and may not be construed as, an offer or invitation to invest or make commitments pursuant to Section 21 of the Financial Services and Markets Act 2000. The information contained herein is subject to updating, amending and verification therefore you should not rely upon it for any purpose.

Any investment in a Deepbridge proposition will be made solely on the basis of the final version of the respective information memorandum and the customer agreements. Please be aware that past performance is not necessarily a guide to future performance and may not necessarily be repeated. The value of investments may go down as well as up and you could lose all or any of the amounts you originally invested.

This document is provided for information purposes only and does not constitute investment, legal, tax or other advice. In particular, any tax reliefs referred to in this document are for information purposes only and based on our interpretation of current law. The application and value of potential tax reliefs depends upon individual circumstances of each person, maybe subject to change in the future as a result of subsequent changes in law and therefore cannot be guaranteed. Prospective investors should take appropriate professional advice (including legal, financial and tax advice) before making any investment decision, no reliance should be placed on any information contained in this document, whether for investment purposes or otherwise and any decisions or actions taken based on such information is the responsibility of the person taking that action or decision.

FOR FINANCIAL ADVISER USE ONLY NOT FOR DISTRIBUTION TO INVESTORS OR THE GENERAL PUBLIC.



Deepbridge Advisers Limited
Deepbridge House
Honeycomb East
Chester Business Park
Chester
CH4 9QN

Tel: +44 (0) 1244 746000
Email: info@deepbridgecapital.com
www.deepbridgecapital.com

Deepbridge Advisers Limited is registered in England & Wales, Company No. 08614835. Registered Office: Deepbridge House, Honeycomb East, Chester Business Park, Chester CH4 9QN. Deepbridge Advisers Limited (FRN: 609786) is an appointed representative of Enterprise Investment Partners LLP which is authorised and regulated by the Financial Conduct Authority (FRN: 604439). Deepbridge Advisers Limited is a subsidiary of Deepbridge Capital LLP, a limited liability partnership registered in England & Wales, No. OC356449.