



EQUITY VENTURE PARTNERS

EVP FUND III LP

Information Memorandum

1 August 2020

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Important notices

Issuer

This Information Memorandum dated 1 August 2020 (**IM**) has been prepared and issued by EVP Funds Management Pty Ltd ACN 637 060 292 (**EVP, Fund Manager, us, we or our**) to provide background information for persons considering applying for interests in EVP Fund III, LP (**Fund**). No persons other than the Fund Manager have caused or authorised the issue of this IM nor do they take any responsibility for its preparation.

Defined terms

Capitalised words in this IM are defined in the Glossary of this IM.

The Fund

The Fund is an incorporated limited partnership registered in New South Wales (ILP1900044), EVP VCMP III, LP is the general partner of the Fund (**General Partner or VCMP**). The VCMP's general partner is EVP GP Pty Ltd ACN 625 494 448. The General Partner has appointed EVP as the manager of the Fund, and as manager, EVP will source and present investment opportunities to the Fund. Persons who successfully subscribe to the Fund will become limited partners of the Fund. EVP and the general partner of the VCMP are authorised representatives (No 001278704 and 001277929 respectively) of EVP Management Pty Ltd, holder of AFSL Number 513311. Offers of Partnership Interests under this IM will be made under an arrangement between the Fund and EVP as an authorised intermediary. The Fund has authorised EVP to make offers to arrange for the issue of Partnership Interests.

Important information

This IM should be read in its entirety and together with the document titled '*EVP Fund III Investor Presentation*' prepared by the Fund Manager and dated on or around the date of this IM (**Marketing Deck**), which should also be read in its entirety, before making a decision to invest in the Fund. An investment in the Fund is subject to the terms of the Investment Documents. This IM is not a comprehensive statement of the Partnership Deed or of all of the terms applicable to an investment in the Fund. A copy of the Fund's Partnership Deed can be obtained by contacting EVP.

Any disclaimers or qualifications made with respect to statements or representations in this IM also apply with respect to statements or representations contained in the Marketing Deck.

An application to invest in the Fund is an application for Partnership Interests based on the Investment Documents. Information in this IM is subject to change from time to time. We intend to issue a supplementary or replacement IM if any material changes are made. No person is authorised to provide information or to make a representation in connection with the Fund that is not contained in this IM. Any information or representation in connection with the Fund that is not contained in this IM may not be relied upon as having been authorised by the Fund Manager. No representation or warranty is made as to the achievement or reasonableness of any plans, financial returns or forward-looking statements.

Investments in the Fund will be by invitation only. The offer contained within this IM is only available to Wholesale Clients (as defined in the Corporations Act). This IM does not constitute an offer or invitation in any place or to any person in or outside of Australia where it would be unlawful to make such an offer or invitation. The offer is not available in the United States of America (**US**) or to US Persons (as defined in the relevant US securities law) unless otherwise approved by the Fund Manager. No public offer of Interests in the Fund will be made. This IM is not and is not required to be a product disclosure statement

for the purposes of Part 7.9 of the Corporations Act. The level of disclosure in this IM is less than that of a Product Disclosure Statement, prospectus or similar disclosure document. A copy of this IM does not need to be and has not been lodged with the Australian Securities and Investments Commission (**ASIC**).

The information in this IM is general advice and does not constitute personal advice or investment advice. In preparing this IM, EVP has not taken into account the investment objectives, financial situation or particular needs of individual investors. EVP strongly recommends that potential investors read this IM in its entirety and seek independent professional advice as to the financial, taxation, and other implications of investing in the Fund and the material contained in this IM.

No person guarantees the performance of, or rate of return from, the Fund nor the repayment of capital from the Fund. Investments in the Fund are not deposits with or liabilities of the Fund Manager or any associated company and are subject to investment and other risks, including possible delays in repayment and loss of income or principal invested. Recipients of this IM should ensure they are fully aware of all these risks before investing in the Fund. As with any investment, there are inherent risks in investing in the Fund, including the risk that an investment in the Fund is speculative, that the investment may result in a reduction in or loss of the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital.

Investing in the Fund involves a high level of risk and is not suitable for investors who are unable to sustain the loss of all or part of the sum invested, or who require predictable levels of return or liquidity. Please refer to Section 5 on investment risks.

To the maximum extent permitted by law, none of the Fund Manager, its associated entities, nor any of their respective officers, directors, advisers or associates provide any representations or warranties in relation to this IM or the Fund and they disclaim all responsibility in relation to the IM and the Fund. The Fund Manager does not make any representation or warranty as to the accuracy or truth of the contents of this IM.

Any information or representations not contained in this IM may not be relied upon as having been authorised by the Fund Manager and should be disregarded. This IM supersedes all previous representations and communications (including investor presentations) in respect of the Fund. The Fund Manager may vary the offer without notice at any time, including to close the offer at any time, accept late subscriptions, or to increase or decrease the size or timing of the offer, without notice.

Any forward looking statements in this IM (including statements of intention, projections and expectations of investment opportunities and rates of return) are made only at the date of this IM based on current expectations and beliefs but involve risks, contingencies, uncertainties and other factors beyond the control of the Fund Manager which may cause actual outcomes to be materially different. Assumptions underlying such statements involve judgements which may be difficult to accurately predict. Therefore, such forward looking statements included in this IM may prove to be inaccurate and should not be relied upon as indicative of future matters.

All amounts in this IM are stated in Australian currency, unless specifically stated. Fees and costs in this IM are disclosed exclusive of Goods and Services Tax (**GST**). Applications to invest in the Fund may only be made on the application form attached to or accompanying this IM. The General Partner is not obliged to accept applications and reserves absolute discretion in limiting or refusing any application in whole or in part.

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1. Key Terms

Set out below is a summary of the key terms of the Fund. Please refer to the Investment Documents for the complete terms which will supersede and prevail to the extent of any inconsistencies with this IM.

Fund	EVP Fund III, LP an incorporated limited partnership registered in New South Wales (ILP1900045).
General Partner	EVP VCMP III, LP an incorporated limited partnership registered in New South Wales (IPL1900044).
Fund Manager	EVP Funds Management Pty Ltd ACN 637 060 292.
Investment Strategy	The Fund will seek to invest in early stage technology businesses with potential to deliver exceptional revenue growth over the long term.
Target Return	The Fund will target returns in excess of five times Capital Contributions (net of fees and costs) over an seven-year period. This is a target and may not be achieved.
Eligible Investors	Applications are restricted to Wholesale Clients.
First Closing Date	30 September 2020 or such date as determined by the General Partner.
Final Closing Date	A date determined by the General Partner which is not more than 12 months after the First Closing Date, subject to one 6-month extension at the General Partner's sole discretion and further extensions approved in writing by all Limited Partners.
Minimum Investment	\$200,000 unless otherwise approved by the General Partner.
Target Fund Size	The Fund is seeking to raise a target capital amount of \$50 million, with a maximum of \$125 million. The General Partner may accept commitments in excess of this amount with the approval of the IAC or by Special Resolution.
Maximum Establishment Costs	\$250,000 plus GST.
Fund Manager Commitment	The Fund Manager, its associates, any of their employees and members of the Investment Committee and their associates will together invest a minimum of \$5 million of Committed Capital.
Management Fee	An amount equal to 2% per annum (plus GST): (a) of aggregate Committed Capital during the Investment Period; and (b) thereafter, of Invested Capital until the completion of winding up of the Fund.

Investment Period	Commencing on the Initial Closing Date and ending on the fifth anniversary of the Initial Closing Date, with a 6 month extension at the discretion of the Fund Manager. Further extensions up to 15 years after the date of formation of the Fund on approval by Special Resolution, subject to the ESVCLP Rules.
Term	2 years from the end of the Investment Period, unless: <ul style="list-style-type: none"> (a) terminated early by Special Resolution; (b) extended by the General Partner or the Fund Manager for up to 3 consecutive 1 year periods; (c) extended with the consent of the holders of 75% of the Fund's limited partnership interests; or (d) extended with the approval of the IAC, subject to the requirements of the <i>Venture Capital Act 2002</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth).
Preferred Return	8% IRR (in accordance with the Partnership Deed).
Distributions	<i>Distributions will be made in the following priority:</i> <ul style="list-style-type: none"> (a) <i>Return of capital and preferred return:</i> 100% to Limited Partners until they have each received (including Tax Benefits) under this provision the sum of their Capital Contributions and Preferred Return (on a Whole of Fund Basis) as at the record date for the distribution. (b) <i>Catch Up:</i> 100% to the General Partner by way of Carried Interest until it has received 20% of the sum of the aggregate Preferred Return of Limited Partners (on a Whole of Fund Basis) and the amounts distributed under this Catch Up. (c) <i>Split:</i> In the ratio of 80% to Limited Partners as distributions and 20% to the General Partner as Carried Interest.
Distributions In Specie	In specie distributions at the discretion of the General Partner.
Redraw	The Fund Manager may recall up to 30% of amounts distributed for up to 3 years after distribution to Investors in connection with a particular investment where the Fund has a legally binding obligation to pay such amounts (e.g. a warranty claim) in respect of that investment and for which the Fund Manager is duly indemnified out of the Fund and such indemnity has not been reduced or extinguished. In such circumstances, the Fund Manager will give notice to Investors at the time of the distribution that a portion of the distribution may be withdrawn.
Clawback of Distributions	Calculation to determine if there is a clawback of the Carried Interest to be undertaken at the termination of the Fund, termination of the General Partner, or Fund Manager (as applicable), or a redraw. Clawback amount is where the General Partner has received in excess of its aggregate entitlement to all Carried Interest distributed under the waterfall.
Investment Committee	Howard Leibman, Les Szekely, Justin Lipman and Daniel Szekely.

2. Fund Overview

2.1 The Fund

EVP Fund III, LP is the third venture capital fund managed by EVP. The Fund will seek to invest in unlisted, early stage technology companies.

The Fund is seeking to raise total capital of approximately \$50 million, with a minimum of \$10 million. The General Partner may accept a maximum commitment of \$125 million, subject to variation with IAC approval or by Special Resolution. The minimum investment in the Fund is \$200,000. The Fund Manager may in its absolute discretion accept smaller amounts.

Capital calls need to be paid in full when called in accordance with the Partnership Deed, and Partnership Interests issued to Investors may be forfeited if capital calls are not met within the time frame set out in a call notice.

The Fund is an incorporated limited partnership and, subject to approval by Innovation and Science Australia, will be unconditionally registered as an ESVCLP. The Fund is not listed on any stock exchange. The term of the Fund is 2 years from the end of the Investment Period. The term may be extended by the General Partner for up to 3 successive 1 year periods by notice to Investors or by Special Resolution up to 15 years after the date of formation of the Fund (subject to the ESVCLP Rules whilst the Fund is an ESVCLP).

2.2 Investment Objective and Strategy

The objective of the Fund is to deliver returns to Investors in excess of approximately five times total Capital Contributions (net of fees and costs) over a seven year period. This is only a target and may not be achieved.

The Fund Manager will typically invest between \$0.5 million and \$15 million (in aggregate) of the Fund's Committed Capital in each portfolio company and plans to target ownership stakes in the range 5% to 40% across the portfolio. The Fund Manager may invest above or below these thresholds where it believes it is in the interests of the Fund but it will not invest more than 20% of the Fund's Committed Capital in any one business.

Where appropriate, the Fund may co-invest alongside other parties. These co-investors may be third party entities and may be related to or associated with the Fund Manager or members of the Investment Committee.

2.3 Investment Criteria

The Fund has a broad investment mandate, which is not limited to any particular sector, industry or business model.

The Fund will seek to invest in early stage businesses with the following characteristics:

- a new technology or a novel application of technology with potential to drive disruption within a defined market sector;

- strong early market validation, evidenced by the business having already generated its first commercial revenue;
- founders with exceptional credentials in terms of specific industry expertise or prior experience in early stage high growth companies;
- a business model that delivers (or is likely to deliver) attractive and sustainable unit economics;
- a very large and well-defined target market;
- potential for sustained revenue growth over the long term; and
- a credible path for the Fund to exit its investment within the life of the Fund.

In addition, the Fund Manager will aim to invest in companies that qualify as eligible venture capital investments under the ESVCLP Rules as set out in Section 4 of this IM.

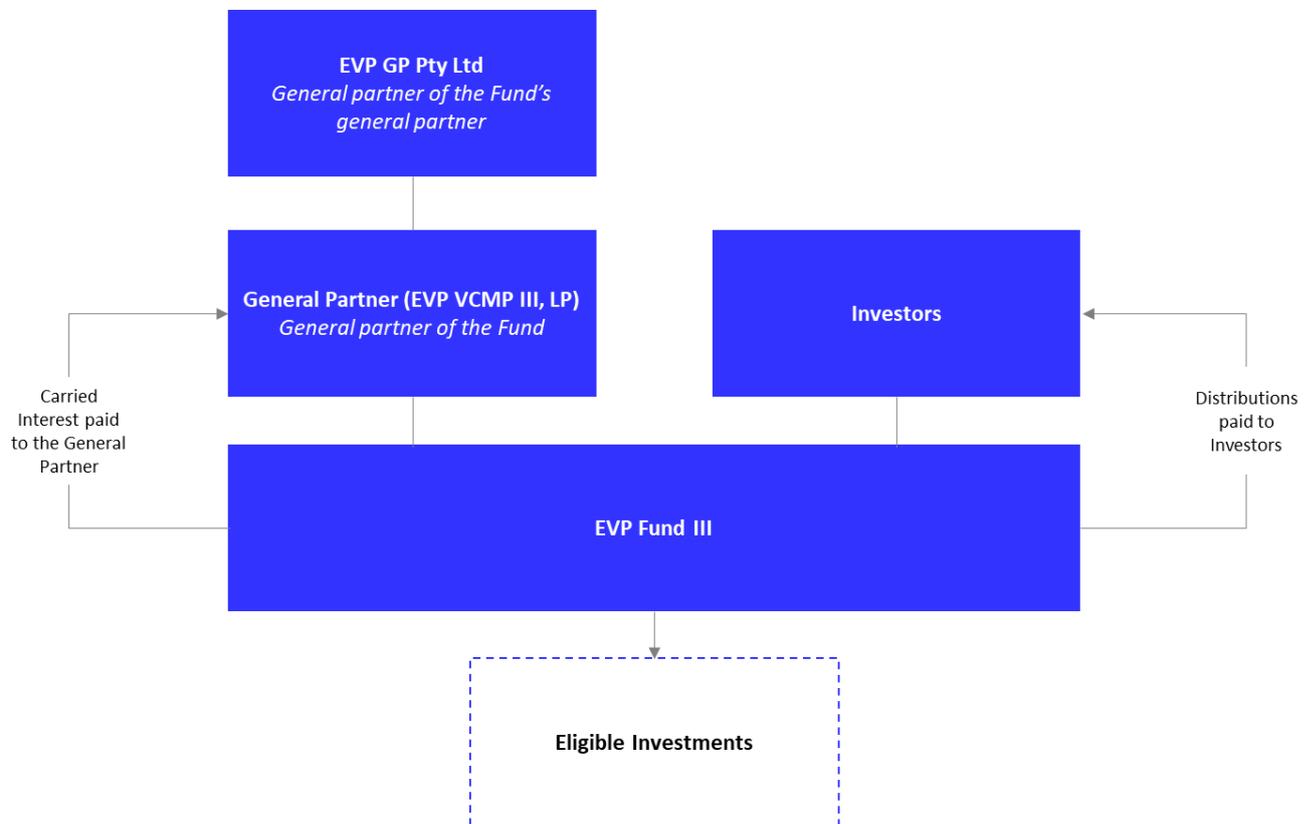
2.4 Investor Profile

The Fund is only open to Wholesale Clients. Potential investors in the Fund should be persons seeking access and exposure to a portfolio of privately held, early stage, high growth companies with potential to generate high returns on investment. The Fund may be suited to investors seeking venture capital exposure but not necessarily having the expertise or resources to undertake direct venture investments.

Investment in the Fund involves a high level of risk and redemptions or withdrawals from the Fund are not permitted. Accordingly, an investment in the Fund is not suitable for investors who are unable to sustain the loss of all or part of the sum invested, or who require predictable levels of return or liquidity. Please refer to Section 5 on investment risks.

3. About the Fund Manager

3.1 Fund Structure



3.2 Key Personnel

The Fund's Investment Committee comprises Les Szekely, Howard Leibman, Justin Lipman and Daniel Szekely. The Fund Manager may establish an investor advisory committee (**IAC**) at any time prior to the Final Closing Date comprising representatives of investors as determined by the Fund Manager in its absolute discretion. Where the Fund Manager elects to establish an IAC, it must comprise between 3 and 6 members, unless otherwise agreed by the IAC.

The objective of the Fund Manager Commitment is to ensure a strong alignment of interest between Investors, the Fund Manager and members of the Investment Committee.

4. Early Stage Venture Capital Limited Partnerships

The Fund was conditionally registered as an ESVCLP by the Innovation Committee of Innovation and Science Australia on 6 February 2020. This section discusses the advantages and requirements of the ESVCLP legislation.

4.1 Tax Implications

A venture capital fund registered as an ESVCLP under the Venture Capital Act will have flow through tax treatment and will not be taxed at the partnership level. Refer to Section 6 of this IM for more information about ESVCLP tax implications.

4.2 Registration Requirements

When an ESVCLP applies for registration with Innovation and Science Australia it must provide its investment plan and constituent documents for approval before it commences its investment activities.

An ESVCLP must meet a number of registration requirements in order to maintain its registration. These include:

- The ESVCLP must have at least \$10 million and not more than \$200 million committed capital.
- No investor can contribute more than 30% of the committed capital of the fund. (There are certain exceptions to this rule, including widely held complying superannuation funds, authorised deposit taking institutions and life insurance companies).
- All investments made by the ESVCLP must meet the requirements under applicable legislation and accord with the fund's approved investment plan (see section below).
- The total amount invested in a single investment (including associated entities) must not exceed 30% of the ESVCLP's committed capital.
- If the fund does not divest of any investments once the value of the total assets of that investee grows to exceed \$250 million, investors will only be eligible for a partial exemption tax concession on subsequent capital gains on disposal based on the fund's proportional interest in the investment at the time the \$250 million value is reached.

The Fund has not yet raised the \$10 million minimum in capital commitments required to obtain unconditional registration as an ESVCLP. Once the Fund has secured binding capital commitments for this amount, the General Partner will apply to the Innovation Committee of Innovation and Science Australia for the Fund to be unconditionally registered so as to access the above tax benefits.

4.3 Reporting Requirements

An ESVCLP has quarterly and annual reporting obligations to Innovation and Science Australia. These include descriptions of investments and disposals that the ESVCLP has made during the period and an outline the Fund's performance in implementing its approved investment plan.

4.4 Investment Plan

As a requirement of the registration process, an ESVCLP must submit an investment plan for approval by Innovation and Science Australia. Innovation and Science Australia will take into account the extent to which the plan focuses on early stage venture capital, having regard to the following areas for proposed investee entities:

- stages of development;
- cash flow levels;
- levels of technology;
- proportion of intellectual property to total assets;
- levels of risk and return; and
- amount of tangible assets and collateral against which borrowings may be secured.

Innovation and Science Australia is able to revoke an ESVCLP's registration if it does not act in accordance with its approved investment plan in which case it would lose the tax benefits associated with being an ESVCLP.

The Fund Manager intends that the Fund will always act in accordance with its approved investment plan.

4.5 Eligible Venture Capital Investments

An ESVCLP must only acquire eligible venture capital investments. The criteria for an eligible venture capital investment are set out in legislation and may change from time to time. Currently, the criteria include:

- Total assets of the investee entity must not exceed \$50 million at the time of investment.
- The investment must be made in a company or a unit trust.
- At least 50% of the assets (determined by value) and 50% of the people currently engaged by the investee entity to perform services are located in Australia at the time of investment and for at least 12 months after. However, up to a maximum of 20% of the ESVCLP's capital may be invested in non-resident investee entities.
- The investee entity must have a registered auditor by the end of the year of initial investment unless the investee entity's total assets are valued below \$12.5 million, in which case a statement of total assets can be signed off by the company director or fund manager.

- The predominant activity of the investee entity is not:
 - property development or land ownership;
 - finance;
 - insurance;
 - construction; or
 - making investments directed at deriving passive income.
- The investee entity only invests the ESVCLP funds in another entity so long as that entity and its subsidiaries satisfy the ESVCLP investment requirements.
- The investee entity is not listed (although there are exceptions where an ESVCLP invested prior to listing).
- The investment must be in new shares or units or options to acquire shares or units or convertible notes that are held at risk. There are some exceptions where an investment in pre-owned shares or units can be held.

The Fund Manager intends for the Fund to comply with these requirements.

5. Investment Risks

5.1 Risks of Investing

No investment is without some degree of risk. Risk can be explained as the probability that an investment's actual return will be different from that expected. This includes the possibility of losing some or all of the original investment. You will need to determine how much risk you are able, or willing to tolerate. A venture capital fund such as this is considered to have a very high risk profile.

The purpose of this section is to inform Investors of some of the key types of risks that may apply to an investment in the Fund. Prior to making a decision to invest in the Fund, prospective investors should consider all the risk factors outlined below.

5.2 Investment Risk vs Return Relationship

It is commonly accepted that there is a relationship between the level of return generated by an investment, and its level of risk. In general, the greater the expected return from an investment, the greater the expected risk. This is known as the 'risk return trade-off'.

The performance of the Fund or the return of capital is not guaranteed. The nature of investing in early stage growth companies is that the majority of the return is likely to be generated from the proceeds on realisation of the investment. The likelihood of income distributions from dividends throughout the life of the Fund is low. Investors may receive a capital return less than the amount invested in the Fund and there is no guarantee that any distributions will be made from the Fund.

Investment in the Fund involves a high level of risk and is not suitable for investors who are unable to sustain the loss of all or part of the sum invested, or who require predictable levels of return or liquidity. The Fund's investments are in unlisted entities for which there are limited secondary market opportunities and therefore no liquidity until the realisation of the investment by the Fund. Similarly, there is no secondary market for your investment in the Fund and your ability to sell your partnership interest is limited to your own ability to find a willing buyer and subject to the consent of the General Partner which it may withhold in its absolute discretion. Redemptions or withdrawals from the Fund are not permitted.

5.3 Investment Risk

The following is not intended to be an exhaustive list of the risk factors to which the Fund is exposed. Before deciding to invest in the Fund, prospective investors should read this entire IM and seek advice from their professional adviser. The Fund Manager will seek to mitigate risk but cannot eliminate all risk. The Fund Manager cannot guarantee that the way it manages risk will always be successful. If one or more risks occur, then an Investor may suffer a partial or complete loss of income, capital or both.

General Risks

Company Specific Risk: An investment in a company may be affected by unexpected changes in that company's operations (such as changes in management, loss of a significant customer or contract) or business environment.

Competitors: Competing businesses including those with superior products or technologies may adversely affect an investee of the Fund, which may have a material adverse effect on returns to Investors. The introduction of new competitors or a more aggressive competitive response from existing participants in an investee's market may affect the operating performance of that investee. An investee may not be able to compete successfully in its marketplace and any increase in competition could adversely affect its earnings.

Counter-Party Risks: Counter-parties to agreements with investees may not perform their obligations under those agreements. This could adversely affect the performance of Fund.

Currency risks: Currency movements relative to the Australian dollar can cause changes in the value of your investments.

Force majeure events: Events, including acts of God, fire, flood, earthquakes, war, acts of terrorism, and labour strikes may adversely affect the normal operations of investee businesses.

General Economic Conditions Risk: This is the risk that the general economic conditions influenced by factors such as interest rates, exchange rates, inflation rates and business confidence may impact the operations and value of the investments by the Fund. Adverse changes in these factors may directly influence the market in which a Fund's investment operates or may impact the suppliers and customers of the investee companies. Additionally, some portfolio companies will have certain levels of debt to carry out and expand their operations. The level of interest rates payable on that debt, and the availability of debt financing (including to refinance existing borrowings) can have a significant effect on the returns of those entities.

Political and Legal Risks: The value of the investments held by the Fund may be affected by uncertainties including political and economic developments and changes in laws and regulations in markets in which the investee companies operate.

Sector Risk: Sector risk is the risk that a particular sector in which an investee company operates may be subject to sector wide problems of demand/supply imbalances due to certain events or shocks. This may affect the viability of the business or the profitability of the investee company and therefore the Fund.

Tax Regulation Risks: Investors could become subject to unforeseen taxation in the jurisdiction in which the Fund operates, is managed, advised, promoted or invests. In addition, taxes incurred in such jurisdictions by the Fund may not be creditable or deductible by the Fund or the investors in their respective jurisdictions. There can be no assurance that the structure of the Fund or any investment will be tax-efficient for any particular investor. Investors are urged to consult their tax advisers with reference to their specific tax situations and in respect of the Australian tax implications of acquiring, holding and disposing of Partnership Interests in their circumstances.

Any taxation information in this IM is of a general nature only and is not to be taken as any tax or other advice. Investors are advised to monitor changes to laws and how they may affect their tax obligation.

Fund Specific Risks

Absence of recourse: The Investment Documents limit the circumstances under which the Fund Manager and its respective officers, directors, partners, employees, shareholders, affiliates and other agents can be held liable to the Fund. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

Availability of investment capital: Venture capital investments often require several rounds of venture capital infusions before an investee reaches maturity. If a venture capital investor does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the investee and the value of the venture investor's original investment. While the Fund's policy will be to maintain sufficient liquidity to allow it to participate in follow-on rounds of financings, the Fund may not be able to provide all necessary follow-on financing, accordingly, third party sources of finance will be required, and, in many cases, invited. The Fund Manager expects that as the Fund's investments mature, the added value created by the Fund's management will increase the valuation of investees so as to attract additional, better-capitalised investors in follow-on investment rounds. There is no assurance that such additional sources of finance will be available, or if available, will be on terms beneficial to the Fund's interest.

Capital calls: Investors may default on capital calls due to, but not limited to, circumstances that affect the economy generally or the Investor individually. If an Investor defaults, it may be subject to various remedies as provided in the Partnership Deed, including without limitation, forfeiture of its Partnership Interest. If an Investor fails to fund any call on its Committed Capital when due, and the Committed Capital made by non-defaulting Investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to penalties that could materially and adversely affect the returns to investors.

Distributions: Distributions will vary from time to time depending on whether exits can be achieved. If exits are unsuccessful no distributions may be made and capital may be lost.

Compliance with ESVCLP rules: The tax advantages of the Fund are predicated on the Fund's compliance with the various legislative ESVCLP rules and requirements. If the Fund does not comply with these rules, then its registration will be revoked and it will be taxed as an ordinary limited partnership. Additionally, there is a risk that Innovation Australia or the Australian Taxation Office (ATO) may determine that the Fund, or one or several of the Fund's investments are not compliant for the purposes of the ESVCLP regime. This could lead to adverse consequences for the Fund and investors, including in relation to the tax treatment of distributions. Any available tax benefits under the ESVCLP regime are subject to the Fund becoming unconditionally registered, maintaining its registration as an ESVCLP and complying with the ESVCLP Rules.

Conflict of interest risk: The Fund Manager has adopted a conflicts of interest and related party transactions policy to ensure that any related party transaction entered into by the Fund Manager or a related party to the Fund Manager is on arm's length terms and is monitored on a regular basis by a compliance officer and in accordance with the Fund's compliance plan.

Distribution in kind: The Fund will seek to realise all investments during the Fund term. However, it is possible that at the end of the period the Fund may still hold one or more investments and may make an in specie distribution of the shares in these investee companies to investors.

Deal flow risk: The Fund Manager may not be able to identify and reach agreement on a sufficient number of suitable investee companies.

Due diligence: Investments will be made in early-stage companies which have limited information available. As such, certain investments may be made based on limited due diligence and on publicly available information. This may increase the risks to the Fund associated with those investments.

Illiquid investments: An investment in the Fund is illiquid and there is no established secondary market in which an Investor may sell its Partnership Interest and none is expected to develop. Investors have no right to withdraw from the Fund, except in accordance with the Partnership Deed. The Partnership Deed contains substantial restrictions on the transferability of Partnership Interests and generally prohibit Partnership Interests being transferred, resold, exchanged or otherwise disposed. The General Partner is not required to register a transfer if the purported transfer is contrary to law. There can be no assurance that the Fund Manager will be able to realise investments in a timely manner nor at a suitable price.

Investee risk: The businesses in which the Fund invests may fail or may not be as successful as expected at the time of investment or may take longer than anticipated to realise the returns.

Key person risk: Early stage companies usually have few employees and rely on the founder or founders to grow the business. There is a risk that something happens to these key people which adversely impacts the business. The Fund is also exposed to key person risk in relation to members of the Investment Team who are key to sourcing and managing investments of the Fund. The departure of a member of the Investment Team may adversely impact the Fund.

Lack of operating history: Although the Investment Team has extensive experience, the Fund is a newly formed entity with no operating history or past performance to evaluate.

Loss of capital risk: Investment in any venture capital fund and in any early stage company is speculative and may involve the loss of all or part of the contributed capital. There are a number of risks that are specific to venture capital and early-mid stage investments which lead to a higher rate of failure compared to more mature businesses, including but not limited to:

- the inherent risks associated with investing in a company that has been recently established and does not have a long history of trading results;
- an investee may suffer a loss of experienced staff;
- an investee may not achieve market acceptance of its products and services;
- an investee may be unable to scale its operations or manage its cash flows; and/or
- an investee's customer database may reduce in quality and size.

Enterprises in which venture capital and early stage investments are made have limited financial resources and may be unable to meet their obligations under their banking arrangements (if any) which may be accompanied by a deterioration in value of their equity or any collateral or guarantees provided with respect to their debt (if any).

Manager carried interest: The Fund Manager's Carried Interest arrangements may create an incentive to make investments that are riskier than would otherwise be the case.

Minority investments: As the Fund may take minority positions (rather than controlling stakes), there is a risk that investees' shareholders and management may make decisions that the Fund

Manager does not agree with and/or that do not serve the Fund's interests. Additionally, the Fund may not be successful in obtaining a board seat or board observers seat in respect of each investee and this could prevent the Fund Manager from implementing its investment strategy.

Other business interests: The members of the Investment Team and the Fund Manager and its employees may be members of other advisory boards, investment committees or funds, and are, or in the future may be, officers or directors of, or otherwise affiliated with, investors of one or more of other investment funds. Additionally, members of the Investment Team may personally pursue investment activities that are not consistent with the Fund's investment interests. This may present conflicts of interest where such professionals may be pursuing the interest of more than one such party simultaneously. Members of the Investment Team may personally be offered investment opportunities which they may choose not to offer to the Fund.

Passive investment: Investors will not be able to control or participate in the management and day-to-day operations of the Fund including decisions regarding the making and disposition of investments. Accordingly, Investors must be willing to rely on the ability of the Fund Manager to manage the Fund and its investment judgment and management skills.

Regulatory risk: The Fund is not required to be registered under the Corporations Act and accordingly, investors do not receive the protections provided under the Corporations Act or ASIC as a regulated scheme. The Fund will be governed by the Investment Documents and offers Partnership Interests in accordance with this IM which has not been lodged with ASIC.

Reliance on projections: The financial performance of an investment of the Fund may vary significantly from its management's projections. Any failure to meet its projections may be materially adverse to the return on the Fund and to investors.

Risks of certain divestments: In connection with the divestment of an investment in a portfolio company or otherwise, the Fund may be required to make representations about the business and financial affairs of the portfolio company. It may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Fund.

Target returns: Neither the General Partner, nor the Fund Manager guarantees the level of returns targeted will be achieved from an investment in the Fund.

Tax and regulatory change: There is a risk that there may be a change in the laws or tax regime in which the Fund or an investee company operates that may adversely affect the Fund or Investors' returns from the Fund. This may include changes to the ESVCLP regime and tax treatment.

Technology Risk: The businesses in which the Fund invests are heavily reliant on technology to deliver their products and services. There is a risk that the technology they are using may be superseded by new or different technology that reduces the likelihood of success of the business.

Valuation Risk: The valuation of early stage technology businesses is influenced by the valuation of listed technology companies. There is a risk that there is a significant drop in the valuation of listed technology businesses which might impact the valuation of the portfolio companies of the Fund. Additionally, portfolio companies may not have a readily ascertainable market price and may be held at valuations that differ from their true and actual realisable value.

6. Taxation

6.1 Investors Should Seek Own Professional Tax Advice

The tax information provided in this IM is intended to be a brief guide only and should not be relied upon as a complete statement of all relevant laws. We strongly recommend that potential investors read this IM in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund.

All potential resident and non-Australian resident investors in the Fund should seek their own personal advice specific to their own circumstances but the following general comments are provided to give some overview of the tax treatment of ESVCLPs.

6.2 Taxation of the ESVCLP

A limited partnership that is registered as an early stage venture capital limited partnership under Part 2 of the Venture Capital Act (i.e., a limited partnership that is used to invest in Australian venture capital companies) is treated for Australian tax consequences as an ordinary partnership rather than a corporate limited partnership.

As a consequence, the income, profits, gains and losses of the partnership flow through to the partners, who are taxed according to their tax status and subject to the concessional treatments set out below.

6.3 Taxation of the Limited Partners

- A Limited Partner's share of income (for example, dividends) derived from an eligible venture capital investment held by the Fund is exempt from Australian income tax on flow through to the investors.
- A Limited Partner's share of a gain or loss arising from the disposal of an eligible venture capital investment (which was owned for at least 12 months) by the ESVCLP is generally disregarded or exempt from income or capital gains tax, however:
 - where, during the ownership of an eligible venture capital investment, the total assets of the investee company exceeds \$250 million, the Fund will be deemed to have a cost base at that time equal to the market value of the investment; and
 - broadly, any gains on a subsequent disposal of the investment will only be partially exempt for income tax or capital gains tax purposes (i.e., the gains above the deemed cost base will be taxable). A loss from the disposal or realisation of an eligible venture capital investment by the ESVCLP is not deductible for Australian income tax purposes.

Broadly, these treatments for an Investor in relation to an eligible venture capital investment through an ESVCLP apply if the following conditions are met:

- the Investor is a partner in a limited partnership that was unconditionally registered as an ESVCLP when it made the investment;
- if the Investor is a general partner, the general partner is either an Australian resident or a resident of a foreign country in respect of which a double tax agreement (as defined in Part X of the ITAA1936) with Australia is in force;
- the capital gains tax event related to an eligible venture capital investment that met all of the additional investment requirements for investments by ESVCLPs; and
- at the time of the capital gains tax event, the ESVCLP owned the investment and had done so for at least 12 months, was unconditionally registered and satisfied the registration requirements of an ESVCLP under Venture Capital Act.

6.4 Non-refundable Tax Offset

A non-refundable carried forward tax offset equal to 10% of the capital invested in the ESVCLP and used by the ESVCLP will be available to investors.

A tax offset can reduce the tax liability of an individual in a given income year. As the tax offset is non-refundable, this means that where the tax offset exceeds the tax liability of an investor in a given year of income, a refund is not available for the excess amount, but rather the excess can be carried forward to be utilised in future years of income.

The amount of the tax offset is reduced to the extent that the amounts contributed by the investors are not, in effect, used by the Fund to make eligible venture capital investments within that income year or the first two months after the end of that income year.

If an investor is a partnership or trust, the offset will generally instead be available to the ultimate individual or corporate partners or beneficiaries in accordance with their respective proportionate interest in the partnership or trust.

For investments made in the Fund via a trust, the tax offset can flow through to the ultimate investor having regard to their proportional interest in the trust, and the trust's investment in the Fund (and the time when the Fund makes its underlying investment).

6.5 Goods and Services Tax (GST)

GST will not be imposed on the application for, or withdrawal of, interests in the Fund. However, GST will be incurred on most purchases made by the Fund in carrying out its investment activities including any management fees payable by the Fund, and reimbursable expenses. The Fund may not be entitled to claim full input tax credits for the GST included on the majority of its purchases, but may be entitled to claim Reduced Input Tax Credits (**RITC**) for part of the GST included on specific purchases.

6.6 Tax Reporting

After the end of the financial year, the Fund Manager will send tax statements to Investors. The Investor is not obliged to provide a Tax File Number (**TFN**) or Australian Business Number (**ABN**)

notification, but if neither is provided, and a valid exemption is not claimed, we are required to deduct tax from Investor's distributions at the highest marginal tax rate, plus the Medicare levy, to meet ATO's requirements. Australian companies and other entities that invest in the course of their registered business can supply their ABN instead of their TFN to the Fund Manager.

The Fund Manager will provide Investors in the Fund with the following information:

- Quarterly reports on the activities of the Fund and its investee businesses; and
- A tax report at financial year-end.

6.7 Non resident investors

The following comments are made in respect of non-resident investors that do not carry on business in Australia at or through a permanent establishment.

Withholding tax on interest

To the extent that a component of a Fund distribution comprises interest, a final Australian withholding tax will be deducted (at 10%).

Tax on disposal of Partnership Interests in the Fund

Where a non-resident investor holds their Partnership Interests on capital account, gains made on the disposal of the Partnership Interest should not be subject to Australian capital gains tax unless the Partnership Interests qualify as taxable Australian property. Broadly, the Partnership Interest will not qualify as taxable Australian property unless more than 50% of the underlying assets of the Fund comprise interests in Australian real estate.

US Taxation – Foreign Account Tax Compliance Act

The United States Hiring Incentives to Restore Employment Act (the HIRE Act) was signed into US law in March 2010 creating a new withholding regime referred to as the Foreign Account Tax Compliance Act.

In order for the Fund to avoid US withholding under FATCA (i.e. a tax of thirty percent (30%) on certain payments) made with respect to certain actual and deemed US investments, the Fund will be required to register with the US Internal Revenue Service (**IRS**) and agree to identify and report certain of its direct and indirect US account holders (including debt holders and equity holders). As the Fund is subject to rules under an Intergovernmental Agreement (**IGA**), the Fund will implement these FATCA provisions under local law and information will be provided to the Australian tax office (**ATO**) who will then provide it to the IRS.

To comply with our obligations under FATCA, Investors will be required to provide to the General Partner, information which identifies any direct and indirect US ownership as well as information that may certify other FATCA compliance or non-US status. The General Partner will be required to provide information about the Fund's direct and indirect US investors as defined by the FATCA regulations, to the ATO, who may share this information with the IRS. Such information may include, inter alia, the name, address and taxpayer identification number of certain US Persons that own,

directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest, including amounts paid or credited by the Fund to such investor.

In addition to the provisions described above, certain other jurisdictions outside the United States have indicated that they may introduce similar legislation to FATCA which may have a comparable effect on the Fund.

Investors should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

7. Investing in the Fund

7.1 Minimum Investment

EVP has imposed a minimum initial investment requirement of A\$200,000 for all investors. The General Partner reserves the right at its absolute discretion to accept lower amounts.

7.2 Applications for Partnership Interests

To invest in the Fund, you must complete an Application Form which is attached to this IM. The first round of Partnership Interests in the Fund will be issued (subject to acceptance by the Fund Manager) on the Initial Closing Date of the Fund. If you are subscribing for Partnership Interests in the Fund prior to the Initial Closing Date, your application monies do not need to be submitted at the time of your application.

The Fund Manager may call an Initial Closing Date once signed Application Forms totalling at least \$10 million in Committed Capital have been received. Once this occurs, applicants who have submitted their forms (and such application forms have been accepted by the General Partner) will be provided with a call notice to pay the first call on their Committed Capital. The Fund Manager has discretion to accept applications in excess of \$10 million before the Initial Closing Date.

Investors who are admitted to the Fund after the Initial Closing Date will be required to pay a late management fee to the Fund Manager and such amounts so that their Paid Up Proportion is at the level as though they had invested at the Initial Closing Date. There is no interest charged with respect to Investors that invest after the Initial Closing Date but before the First Closing Date.

Following the Initial Closing Date, the General Partner will notify Investors when the First Closing Date has occurred and the General Partner may continue to raise funds and allow Investors to invest in the Fund for a period of up to 12 months from the First Closing Date, or such other period as determined in accordance with the Partnership Deed. Investors admitted on a closing date after the First Closing Date will contribute the proportion of Committed Capital that they would have paid had they been admitted on the Initial Closing Date plus an amount equal to such drawn capital multiplied by 7.00% per annum applied from the date the payment would have been payable until the later closing date.

7.3 Redemption of Partnership Interests

An investment in the Fund is illiquid and Investors are unable to redeem their Partnership Interests. Investors seeking to sell or transfer their Partnership Interests will need to source a party who is willing to acquire that Partnership Interest. That party will need to provide the Fund Manager with a completed Application Form. The General Partner at its sole discretion may approve or reject the transfer of the Partnership Interest in accordance with the Partnership Deed.

7.4 Anti-Money Laundering and Counter-Terrorism

In order to meet our obligations under anti-money laundering, counter-terrorism legislation or taxation legislation, we may require further information from you as to your identity, the source of your funds and similar matters. The Fund Manager is required to verify that information by sighting appropriate documentation. Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise the information will be kept confidential. By applying for Partnership Interest through this IM, you also agree that the Fund Manager may at its absolute discretion determine not to issue Partnership Interests to you, may cancel Partnership Interests which have been issued to you or may redeem any Partnership Interests issued to you if the Fund Manager believes such action to be necessary or desirable in light of its obligations under the AML/CTF Law or related legislation.

7.5 US Investors

FATCA requires non-US financial institutions to identify which accounts are held by US taxpayers. Information about these accounts must be reported annually to the US Inland Revenue Service via the appropriate local tax authority such as the ATO. All prospective investors are required to complete the FATCA section in the Application Form.

7.6 Privacy

The privacy of your personal information is important to us. Federal privacy legislation regulates the use of your personal information. The Fund Manager and the General Partner will hold your personal information in a secure manner and will not disclose it to third parties without your permission. Only information that is necessary in connection with this offer is being requested. We may disclose personal information to other parties (confidentiality arrangements apply) for certain purposes that we outsource, including administration, custody, legal advice and audit (if any) of the Fund.

You agree to your personal information being disclosed to third parties in such circumstances or otherwise to enable the Fund Manager and the General Partner to operate and manage the Fund. If you used a financial adviser who recommended your investment in the Fund (as indicated on your Application Form), details of your investment will be provided to him/her.

We aim to ensure that the personal information we retain about you is accurate and up-to-date. If you have concerns about the completeness or accuracy of the information we have about you or would like to request access or amendment to your information, please contact us on (02) 9009 2900.

You will be taken to agree to the collection, use and disclosure of your personal information as set out above when you make an investment in the Fund. You will also be taken for the purposes of the *Spam Act 2003* (Cth) to consent to receiving electronic commercial messages from the Fund Manager or its associates in relation to the Fund and other investment opportunities the Fund Manager considers you may be interested in.

The Fund Manager will procure the services of One Registry Services Pty Ltd ABN 69 141 360 (**Registrar**) who may collect your personal information for the primary purpose of providing fund registry services to the General Partner and for ancillary purposes detailed in the Registrar's Privacy Policy. The Registrar may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the General Partner, the Fund Manager, professional advisers, the land titles office and/or as otherwise instructed by the General Partner. The Registrar is permitted to collect and disclose your personal information when required or authorised to do so by law. The Registrar is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with the Registrar's Privacy Policy. The Privacy Policy contains information about how you may access or correct your personal information held by the Registrar and how you may complain about a breach of the Australian Privacy Principles.

You may obtain a copy of the Registrar's Privacy Policy at:
<https://www.oneinvestment.com.au/privacy-policy/>

Glossary of Terms

Term	Defined
A\$	Australian Dollars
ABN	Australian Business Number
AFSL	Australian Financial Servicing License
AML/CTF Law	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)</i>
Application Form	The application form for the Partnership Interest in the Fund attached to this IM
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Capital Contributions	The capital contribution to the Fund of any Limited Partner
Carried Interest	The amount payable to the General Partner as its entitlement to carried interest in respect of the performance of the Fund as determined under the Partnership Deed
Committed Capital	The total of the committed capital of the Limited Partner to the Fund made under an Application Form or Deed of Accession and accepted by the General Partner
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Deed of Accession	The deed approved by the General Partner and Fund Manager under which a person undertakes to comply with the terms of the Investment Documents as they apply to them
ESVCLP	Early stage venture capital limited partnership registered under the Venture Capital Act
ESVCLP Rules	The rules and regulations set out in the Venture Capital Act
EVP	EVP Funds Management Pty Ltd ACN 637 060 292
First Closing Date	30 September 2020 or such date as determined by the General Partner
Final Closing Date	A date determined by the General Partner which is not more than 12 months after the First Closing Date, subject to one 6 month extension at the General Partner's sole discretion
Fund	EVP Fund III, LP an incorporated limited partnership registered in New South Wales (ILP1900045)
FATCA	The Foreign Account Tax Compliance Act of the US
Fund I	Microequities Venture Capital Fund (ILP1600011)
Fund II	EVP Fund II (ILP 1800018)
Fund Manager	EVP Funds Management Pty Ltd ACN 637 060 292
Fund Manager Commitment	Has the meaning provided in Section 1
General Partner	EVP VCMP III, LP an incorporated limited partnership registered in New South Wales (ILP1900044)
GST	Goods and Services Tax
IM	This information memorandum
Initial Close	A close which occurs prior to the First Close
Initial Closing Date	The date at which the Initial Close occurs
Invested Capital	The portion of the aggregate of all Limited Partners' Committed Capital invested in investments of the Fund, less the cost of all investments which have been sold, redeemed or otherwise realised and distributed in cash or in specie to Limited Partners or written off to zero

IAC	Has the meaning provided in Section 3
Investment Committee	Howard Leibman, Les Szekely, Justin Lipman and Daniel Szekely
Investment Documents	The Partnership Deed, the Application Form and Management Agreement
Investment Period	Commencing on the Initial Closing Date and ending on the fifth anniversary of the Initial Closing Date, with a 6 month extension at the discretion of the Fund Manager and any further extension on approval by Special Resolution
Investment Team	Les Szekely, Justin Lipman, Howard Leibman, Daniel Szekely and Mark Velik (and such other persons as determined by the Fund Manager)
IRR	The discount rate (accruing daily and compounding annually), expressed as an annual percentage, which when applied to cash flows and distributions in specie (including tax credits) results in a net present value of zero as at the date of calculation. This measures the annual rate of return to Investors taking into account the time at which they pay money to the Fund and receive distributions from the Fund
Late Investor	A person who is admitted to the Fund as a Limited Partner at a date occurring after the First Closing Date
Limited Partners or Investors	A person admitted to the Fund as a Limited Partner under the Partnership Deed
Management Agreement	The management agreement governing the provision of management services by the Fund Manager to the Fund
Paid Up Proportion	The proportion of all Capital Contributions to the Committed Capital of a Partner as adjusted in accordance with the Partnership Deed
Partner	The General Partner and Limited Partners
Partnership Deed	The limited partnership deed of the Fund dated 12 December 2019 as amended and restated from time to time
Partnership Interest	In respect of a Limited Partner under the Partnership Deed, all rights and obligations of the Limited Partner and all of the interests of the Limited Partner in the Fund
Preferred Return	Has the meaning given in the key terms. Please refer to Section 1
Portfolio	The investments made by the Fund in early stage high growth companies
RITC	Reduced Input Tax Credits
Special Resolution	A resolution approved by Limited Partners together holding at least 75% of the Committed Capital of those Limited Partners entitled to vote or who do vote on the resolution
Tax Act	Means the <i>Income Tax Assessment Act 1936</i> (Cth) and <i>Income Tax Assessment Act 1997</i> (Cth), as applicable
Tax Benefit	Means any tax related benefits attaching to the income of the Fund or distributable to the Fund, including tax credits, tax offsets and other attributes that reduce tax payable in Australia, but excludes any ESVCLP Tax Offset (as that term is used in the Tax Act)
TFN	Tax File Number
Venture Capital Act	<i>Venture Capital Act 2002</i> (Cth)
Wholesale Client	Has meaning provided to it in section 761G of the Corporations Act and includes where a person: <ul style="list-style-type: none"> (a) is a professional investor (as defined in Corporations Act); (b) invests at least \$500,000 into the Fund; or

	(c)	meets the asset (\$2.5 million of net assets) or income (\$250,000 of gross income for the last two financial years) requirements set out in the Corporations Act
Whole of Fund Basis		Has the meaning provided to it in the Partnership Deed