



VUMANITY CONTENT LIMITED

*Enterprise Investment Scheme ("EIS") Overview
August 2017*



Important Note: This overview document is not an offer or invitation to apply for Investment into Ober Private Clients Vumanity Content Limited EIS Investment Opportunity. Any application for investment should be made solely on the basis of the relevant Information Memorandum ("IM"); the Terms and Conditions; and the Application Form relating to the Investment Opportunity.

INTRODUCTION

- Vumanity Content Limited ("Vumanity", "VCL" or the "Company") has developed a proprietary technology platform that uses complex algorithms to automatically edit video content for a wide range of consumer and corporate applications.
- At the press of a button, users can auto-edit video content filmed on their mobile telephone, tablet, webcam or other device. They can also quickly and easily add themes, branding, intro's, outro's, titles, captions and music.
- The Vumanity concept was originally created by Walter Josten and his associates in California in 2010, with the vision to create and develop an innovative video production platform to allow the filming and production of high quality chat show style video content on mobile phones, tablets and personal computers for a fraction of the cost of traditional production methods.
- The founders have spent the past six years and more than \$4million of investment from their friends and family developing the patented video production platform which processes video conversations into a high-quality and attractive format.
- The Directors believe that the market opportunity for Vumanity is vast in size. Vumanity satisfies the rapidly increasing appetite of consumers, mobile phone companies, businesses and advertisers, who want the ability to quickly produce – high quality video content which is low cost, easy to produce and accessible anywhere on mobile devices.

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OVERVIEW

- Vumanity was incorporated in March 2013 to further develop the technology, and to commercialise and monetise the platform. The Company has established two main business streams: (i) Communications, with its first two verticals Vu Greetings and VuNote and; (ii) Content, with its first platform, www.thefilmindustry.com
- VCL's vision is to fundamentally change the way in which consumers and businesses create and communicate with video. As part of which the Company aims to stay at the forefront of the huge growth business of video on mobile devices through consistent improvement in its technological innovations.
- The video content can be filmed on a mobile phone, tablet, webcam or other camera device, before being automatically edited in high-definition with the ability to quickly add themes or branding, as well as intros, outros, backgrounds, captions and music, via an easy-to-use application ("app") interface, all within a matter of seconds. Uniquely, the platform can also automatically and seamlessly edit a video recording between multiple participants in different locations, with each participant filming on their own mobile telephone or device.
- The range of Vumanity apps include several that enable businesses and not-for-profit organisation to produce high quality branded video clips at a fraction of the cost of traditional means. Others are aimed at producing video content for social media and other communications, including a subscription based video greeting card app. The scope and breadth of the target market is vast.
- The video messages and content produced via the Vumanity apps can be sent to anyone in the world using email and SMS/MMS, as well as social media platforms such as Facebook, Twitter, YouTube and others. The recipient is not required to have the app themselves to open the video recordings, making them widely accessible, they are subsequently invited to download and subscribe, thereby assisting to increase viral take-up.
- The business is capable of reaching a global market. Its initial focus will though primarily target the United States and the United Kingdom.

Investment Terms

- Vumanity Content limited is raising up to £3,500,000 of equity investment under the Enterprise Investment Scheme for the purpose of financing the further development and monetisation of the Vumanity technology and its range of applications and platforms. The investment offer is comprised of the issue of up to 3,500 ordinary £1.00 Shares at an issue price of £1,000 per share, which represents 30% of the enlarged share capital of the Company.
- Investors benefit from a priority return mechanism offered by the Company's founders and management, whereby the investors will receive 100% of the profits of the Company, or of the gains on a sale of the shares, to the point that they have recovered their original gross capital as well as a profit of 30%. Investors are also entitled to receive an uncapped share of all further profits.

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INVESTMENT CASE

- Vumanity has a clear strategy to position itself at the forefront of video-production and video-communication technology for mobile devices.
- The Vumanity technology and range of applications allow high-quality video messages and content to be produced within minutes and at a fraction of the cost of traditional video production.
- Video has become the medium of choice for mobile and online communications, as demonstrated by the recent focus towards video by Facebook, Twitter, Instagram, Google and Snapchat.
- There is an increasing appetite amongst both individuals and corporates to produce and edit high-quality video content quickly. Vumanity's technology facilitates this, making it comparable to the video version of Instagram. Instagram was last valued at \$35bn by CitiGroup in December 2014.
- Vumanity and its applications are patent protected. A total of 43 patent approvals have been granted in the United States with a further 19 approvals pending, which provides the Company with a degree of protection from competition, whilst also increasing its takeover value.
- The technology and first phase of apps have already been developed and funded by the Company's founders, thereby enabling investors to participate at an advanced stage.
- The VuGreetings platform and its first branded app, VuMojo, is a unique video-greeting message service, which is expected to disrupt and gain significant market share within the multi-billion dollar greeting card industry.
- The VuNote platform and app, which allows organisations to produce branded video communications quickly and at a fraction of the cost of traditional forms of video production has a vast target market, including all businesses of any size and sector that wish to produce video messages for sales promotions, marketing, website features, social media, internal communications and training.
- In addition to VuGreetings and VuNote, the Vumanity technology can be used to power a wide range of applications across numerous product sectors and markets, including for example classified sites, dating sites, estate agency sites, sports blogs, news sites, travel sites and education portals.
- Alongside its applications, VCL is creating content portals, such as www.thefilmindustry.com, for which there is also a vast market and a high capital value. The Company have plans to launch content portals serving sports fans and the music industry.
- VCL has multiple defined revenue streams, many of which are recurring subscription fees and represent good value to the user. Other income streams include those relating to premium content, advertising, white-label solutions, data mining and content production.
- VCL has a proven management team with extensive experience in technology media, film and television who are well placed to execute the Company's strategy and deliver shareholder value.
- There is a buoyant market for takeovers and IPOs for technology company such as Vumanity and valuations are relatively high. The appetite from capital markets towards this sector is underlined by the recent announcement of the intention of Snapchat to complete an IPO, where a valuation range of \$20bn to \$25bn has been applied.

KEY RISKS

An investment in EIS qualifying shares involves a high degree of risk and may not be suitable for all investors. Please note that the following risk factors should be considered before deciding to invest:

- This type of investment places your capital at risk. Investing in company shares is speculative and involves a high degree of risk and you may not get back the amount you originally invested. The value of investment may go down as well as up. There is no guarantee of any return on this investment.
 - Past performance is not necessarily a guide to future performance and may not be necessarily repeated. You should be aware that share values and the income from them may go down as well as up.
 - This investment will be in unquoted/unlisted company shares which are highly likely to have higher volatility and liquidity risks than other types of shares quoted on the main market of the London Stock Exchange.
 - As this type of investment will be in an unquoted trading company you should be aware that there may be difficulty in selling your shares at a reasonable price, and in some circumstances it may be difficult to sell your shares at any price.
 - Investing in unquoted/unlisted companies is, by its nature, high risk. Information regarding the value or the risks that unquoted companies face may not always be available. In addition, there is no guarantee that the valuation of shares will fully reflect the underlying net asset value, or that the shares can be sold at that valuation.
 - Investment into the Company should not be viewed as a short-term investment. Potential investors should be prepared to invest for at least three years. Any withdrawal within three years of the investment into the Company will result in the loss of EIS Relief.
 - Potential investors should be aware that the various tax reliefs currently available might change in the future. This overview is based on the understanding of current tax legislation and HMRC practice. Future changes to tax legislation may adversely affect the performance of the Investee Company and the return to the investor. It is the responsibility of prospective investors to ensure that the information is up to date.
- The amount of relief potential investors may gain from an investment into the Company depends on their individual circumstances. Potential investors are strongly advised to seek professional advice regarding their personal tax position and the consequences of an EIS investment. Income tax relief available is subject to making the proper filing of returns with HMRC within the required timeframe and reliefs may be lost if the necessary steps are not taken.

IMPORTANT INFORMATION

Prior to making an investment decision, prospective investors should carefully consider all the information set out in the detailed Information Memorandum which will be sent upon request, and should consider whether an investment into the Investee Company constitutes a suitable investment in the light of their personal circumstances, tax position and the financial resources available to them.

The contents of this overview are not to be taken as constituting advice relating to legal, taxation or investment matters.

This overview is only available to persons falling within the following categories of investor:

1. Persons who meet the criteria for being a professional client in accordance with COBS rule 3.5;
2. Persons who qualify as certified high net worth investors in accordance with COBS rule 4.7.7(a);
3. Persons who qualify as certified sophisticated investors in accordance with COBS 4.7.7(b);
4. Persons who qualify as self-certified sophisticated investors in accordance with COBS 4.7.7(c);
5. Persons who confirm they that they will only invest 10% of their net assets in non-readily realisable securities by signing the Restricted Investor Statement set out in COBS 4.7.10; and
6. Existing clients of a financial adviser regulated by the Financial Conduct Authority, which has advised that the potential investment is a suitable investment for them in accordance with COBS 9 Suitability Rules.

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