

CLIENT FACTSHEET

SUMMARY

Braveheart has a market leading track record in building, managing and exiting unquoted investment portfolios.

It has an established and strong deal flow via long standing relationships with universities and science parks.

The service offering is a managed tax efficient (EIS) bespoke portfolio of unlisted equities, typically constructed over two/three years with a five year investment window.

Non-executive director appointments are possible for active investors and these appointments attract commensurate fee arrangements.

Listed parent (BRH.L) with £3.25m cash available for investment and M&A.

HISTORY

Braveheart Ventures Ltd was formed in 1997. The business operated as an informal non-profit making investment syndicate until 2003 when the decision was made to change the structure of the business. Consequently Braveheart Investment Group plc was formed and acquired Braveheart Ventures Ltd. Funds were raised from private investors and the Bank of Scotland with a view to taking the company public in 2006/7. The AIM listing took place in March 2007 and the company raised c£6m at the time of listing.

INVESTMENT PARAMETERS

Investments are made in young emerging companies most of which are in the technology sectors and which hold unique intellectual property. All stages of company are catered for, ranging from start-up to pre-listing situations. Typically around six investments will be made each year out of several hundred business opportunities that are considered.

Braveheart has various agreements regarding access to technology being developed at universities and science parks.

TRACK RECORD

It is important that the reader appreciates that investing in unquoted companies is speculative and involves a high degree of risk. Our historic track record is not necessarily indicative of future returns and investors should take professional advice before deciding to invest in the type of companies in which we specialise.

We are members of the British Venture Capital Association and use their guidelines when valuing our portfolio.

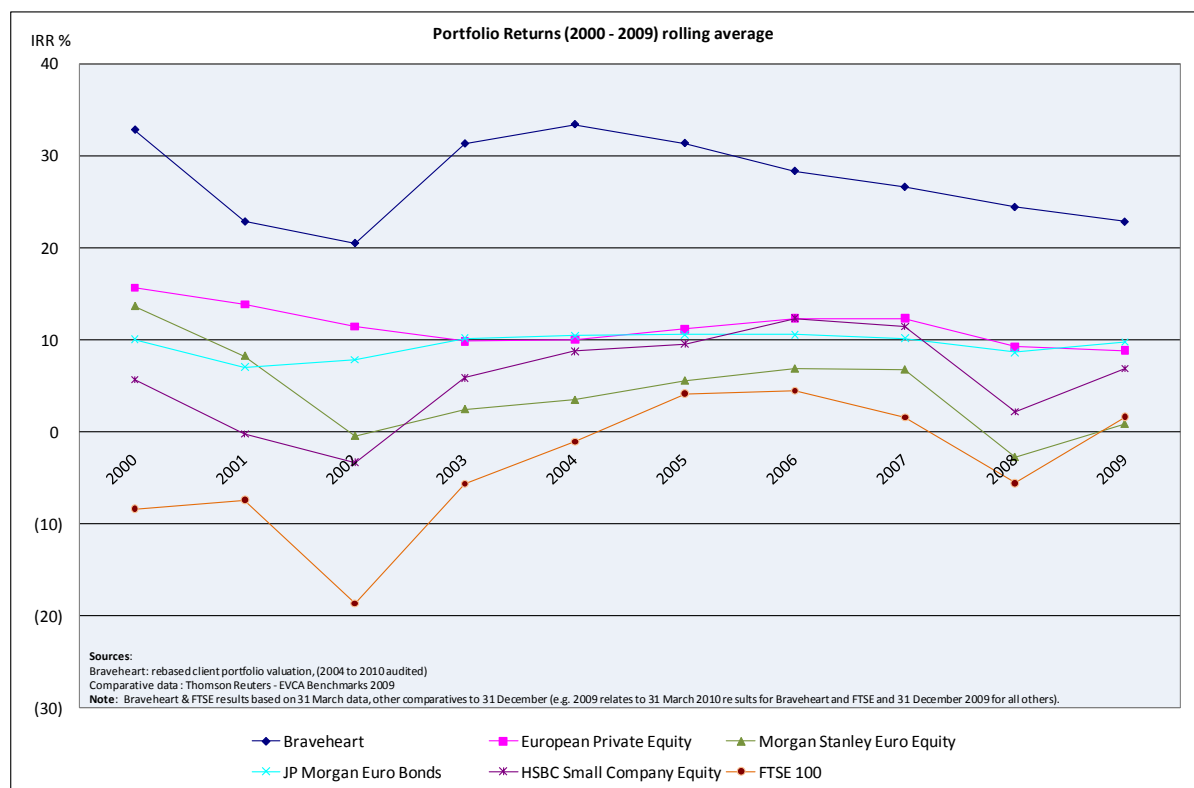
Over its 13 year history Braveheart has invested more than 90 rounds of funding into 49 companies. The returns from the portfolio are as follows:

Exit portfolio (being investments that have been realised): Annual compound return of 30%. 19 exits have produced: 6 stock market listings (2 on main London market with initial market caps of £260m and £165m respectively, 4 on AIM), 3 trade sales/secondary purchases and 10 failures.

Overall portfolio (both realised and unrealised investments): Annual compound return of 23%.

Note: Portfolio returns are as at 31 March 2010. All portfolio valuations are based on an equal rebating of client investments.

Comparative returns are as follows:



PORTFOLIO

There are 27 companies in our diverse portfolio (as at year end 31 March 2010), details of which are to be found on the website. New investors have the ability to invest in the existing portfolio companies.

PARTNERSHIPS

Exclusive relationships exist with the universities of Aberdeen and Strathclyde and non-exclusives with a number of other academic institutions. Braveheart has invested in two spin-outs from the University of Edinburgh that have gone on to become public companies.

Braveheart works closely with Scottish Enterprise (SE) and is one of SE's largest partners in its £70m Scottish Co-investment Fund. Over the years Braveheart has co-invested with many specialist venture investors.

PEOPLE

The business is run by a management team of 11 who report to a Board of three executive and four non-executive directors. The CEO and CIO have been working together since 2000 and jointly make all investment decisions.

OFFICES

Head office is in Perth roughly 45 minutes by car from Edinburgh and an hour from Glasgow. We also have offices in Yorkshire and central London.

REPORTING & MEETINGS

Clients receive regular portfolio updates and reports. Newsletters are sent out twice a year and there are investor events at least once a year.

CONFIDENTIALITY

Braveheart does not publish a list of its clients.

REGULATORY

Investors who wish to be active (advisory clients) need to be certified as Professional Clients (as defined within the FSA handbook).

Discretionary investors may be qualified as Retail Clients (as defined within the FSA handbook).

Braveheart Ventures Ltd is a wholly owned subsidiary of Braveheart Investment Group plc and is authorised and regulated by the Financial Services Authority.

ENTERPRISE INVESTMENT SCHEME (EIS)

Private investors can benefit from the undernoted tax breaks when investing in EIS qualifying companies. The rules of EIS qualification for companies seeking investment have been tightened in recent times and most companies listed on AIM do not now qualify.

Income Tax

If an investment is made and held for three years from the date of subscription individuals (spouses qualify separately) may reduce their income tax liability by an amount equal to 20% of the amount invested up to a maximum of £500k per annum.

Capital Gains

No Capital Gains Tax (CGT) is payable on gains made on investments providing the shares are held for three years and that the company has continued to be a qualifying company throughout the three-year period.

Capital Gains Deferral

Individuals can defer CGT on an unlimited amount of chargeable gains by making EIS investments of an amount equivalent to the chargeable gain. Investments must be made in the period beginning 12 months before and ending 24 months after the date of the disposal that gave rise to the gain.

Capital Losses

Any capital losses made on an EIS investment, net of EIS relief, can be set against any capital gains or income in the tax year of the disposal of the investment or can be carried back against income of the preceding tax year.

Inheritance Tax

An investment in EIS shares held by an individual for at least two years is eligible for relief from Inheritance Tax under the provisions of the Business Property Relief.

FEES and CHARGES

Sign-up fee	£500 (in advance)
Annual fee	£1,000 (in advance)
Dealing fee	7.5% (on cost of investment)
Monitoring fees	Nil
Performance bonus	20% of gains per investment over hurdle rate (LIBOR)
All plus VAT	

A nominee service is available.

A commission scheme involving a partial rebate of dealing commissions is available to intermediaries.

FURTHER DETAILS

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