

Edition EIS

EDITION
CAPITAL

Why Edition EIS:

- Edition Capital (Edition) is an established generalist EIS manager with particular expertise in the leisure sector
- The team has a track record of achieving significant upside for previous EIS Investors
- Edition EIS has unique access to fast growing businesses and has raised and deployed over £46m into 28 companies in the last 12 allotments
- Access to a broad spectrum of mainly later stage companies operating in leisure that require scale up capital
- Edition's deal flow has been unaffected by the Patient Capital Review

Key fund features:

- Evergreen product with quarterly closes on or around 5th April, 5th July, 5th October and 5th January at Manager's discretion
- Target allocation of between 8 to 12 companies (with a minimum of 5)
- 100% tax efficient – 30% income tax relief on subscriptions (after any adviser charges)
- Upfront and Management fees only charged when funds are invested into businesses
- Target £2 tax free return per £1 invested over an investment horizon of 4-7 years

Sector Approach

Edition EIS is a generalist product with particular focus in the leisure sector.

The Rise of the Leisure Consumer

The UK Leisure sector has dramatically evolved over the last decade. The sector is now worth

£117bn

in revenue and accounts for
7.4% of GDP^{1*}

- Net spending on leisure grew by two percentage points in the last three months of 2018 compared to 2017 ^{2*}
- Consumers are shifting their expenditures from goods to experiences. Over the past few years, experience-related expenditure grew 4.0 times faster than expenditures on goods ^{3*}
- The underlying drivers of this shift in consumer spending are a more holistic perspective on what leads to happiness, the growing importance of social media, and an increasing fear of missing out. They are unlikely to dissipate, which suggests that this shift in spending behaviour will remain ^{3*}
- Increased consumer spending in the sector coupled with developments in technology have encouraged more innovation and new offerings
- The rise of the sharing economy has made consumers comfortable with paying for access to goods and services rather than buying goods to own. Sharing assets, such as cars, leaves consumers with more money to spend on the things they enjoy

1* - Source: Deloitte: Passion for Leisure Report (2016)

2*- Source: Deloitte: Passion for Leisure Report (Q4 2018)

3* - Source: McKinsey & Company (Dec 2017)

Key features of any business Edition EIS invests in:

- Proven business model, with potential to roll out and generate high levels of growth
- Focus on later stage businesses which are profitable and are looking to scale up (at least 60% of the portfolio)
- Strong management teams with excellent track records to execute strategy
- Flexible business plans and able to take advantage of changes in consumer demand
- Businesses that remain viable when taking social distancing measures into account



- **Hospitality**
- **Live Entertainment & Events**
- **Fitness & Well-Being**
- **Content & IP**



Sector: Competitive Socialising

Whistle Punks is a collection of axe-throwing sport and entertainment venues. After noting the success of the axe-throwing concept in the US and Canada, the Whistle Punks team launched their own version across the UK in 2016.



Sector: Hospitality

Social Pantry is one of London's top events and contract catering companies with a focus on social impact and ethical employment.



Sector: Competitive Socialising

Little Lion Entertainment is the company behind The Crystal Maze Live, the sell-out live version of the popular 90's TV show. The company operates venues in both London and Manchester.



Sector: Hospitality

Watch House is a group of award winning coffee bars based across London serving exclusive roasted blends and locally sourced, homemade foods.



Sector: Lifestyle

The Wine Show is a TV format and lifestyle brand. Having produced and delivered two series of the TV show to date, which have aired in 19 territories.



Sector: Lifestyle

Borrow A Boat is the 'AirBnB' for boats. The platform allows you to hire boats from boat-owners across the globe as part of the sharing economy that's transforming consumption.

Edition EIS has raised and deployed over £46m into 28 companies in the last 12 allotments



Sector: Live Entertainment

Mainstage Festivals is an operator of international festivals and associated travel. The group operate five festivals across Europe, all of which encompass a week-long experience.



Sector: Hospitality

Little Door & Co operate restaurant-bars across London themed on a 'house share' bespoke to the surrounding area. The group intend to open 3 more UK venues before considering international expansion.



Sector: Hospitality

Incipio Group create dynamic consumer venues focused around food and drink. Their current venues include The Prince, Pergola Olympia, Pergola Paddington, W12 Studios, Lost in Brixton and Bloom.



Sector: Hospitality

Morty & Bob's is a chain of day to night cafes across London with sites in Hackney, the King's Cross Coal Drops Yard development and Westfield London's 2019 food court redevelopment.



Sector: Live Entertainment

Add To Event is an online platform that helps event organisers find service providers. Add To Event has supplied services to over 300,000 events, promotes in excess of 15,000 active suppliers and is the largest event-specific platform of its kind in the UK.



Sector: Lifestyle

Hotpod Yoga is Europe's largest yoga business, with 6 owned London studios and 50+ franchises across Europe and South Africa servicing a customer base of 80,000. An increasingly prominent brand in health and fitness, Hotpod delivers hot yoga classes in patented, immersive pods.

*All information sourced from portfolio companies as at November 2019

The Edition EIS team members have a track record of achieving significant upside for previous EIS Investors.

The team members have managed and advised on investments exceeding £400m including over £175m of EIS and VCT investments

Case Study: Impresario Festivals plc

The Team led the creation, development and exit of Impresario Festivals plc ("Impresario"). Operating within the leisure sector, Impresario raised £10m of EIS funds to acquire and develop music festivals, and over a 2 year period acquired 4 brands.

Edition subsequently led the sale of Impresario to radio, media and entertainment group Global for a sum in excess of £28m, which led to a pre-performance fee return of £2.33 for Investors (£2.10 post performance fee).

*Important Notice: Past performance is not necessarily an indicator of future results.



Source: Impresario Festivals plc

Key Fund Details	Minimum subscription:	£10,000 for advised clients and £25,000 for non-advised clients. There is no maximum subscription
	Closing dates:	Evergreen with quarterly closes: 5th April, 5th July, 5th October and 5th January
	Diversification:	Funds will be invested into 8-12 companies, with a minimum of 5 companies
	Liquidity:	Investors will receive distributions from the proceeds of successful realisations as they are made
	Tax advantages:	If you are eligible you may be able to benefit from tax advantages provided by EIS
	EIS3 certificates:	Typically issued for each investment within 8 weeks, depending on HMRC turnaround
	Target holding period:	The targeted exit timeframe is 4-7 years

Please read the Information Memorandum for the Fund carefully, specifically the Risk Factors set out on page 19, before making your investment decision and confirm with your independent financial adviser that you do have the expertise, experience and knowledge to properly understand the risks of participating in the Fund.

For further information and copies of the Information Memorandum please contact:

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Risk Warning: Prospective investors should note that past performance is not necessarily an indication of future performance. The value of an investment can fall as well as rise and investors may not get back the amount originally invested. Therefore you should only make investments in unlisted companies that you can afford to lose without having any significant impact on your overall financial position or commitments. Taxation levels, bases and reliefs may change if the law changes and the tax benefits of products will vary according to your personal circumstances; independent advice should therefore be sought. This document is a financial promotion issued by Edition Capital Investments Limited, who are authorised and regulated by the Financial Conduct Authority, FRN 747132.