

Bringing dreams
to life to create a
better tomorrow.

Dreamoro Ventures Fund 1

Information Memorandum

April 2024



Important Information

The information in this information memorandum (**Information Memorandum** or **Memorandum**) is general information only and does not take into account your financial situation, objectives or needs. The information can change, and may be updated or replaced from time to time. The Manager (as defined below) and the Fund (as defined below) may not always update or replace this Information Memorandum to reflect the changed information. Updated information can be obtained by contacting the Manager. You should check if there is any updated information before you invest.

The Dreamoro Ventures Fund 1 (**Fund**) is comprised of Dreamoro Ventures Fund 1 LP (ILP 2300023) (**Partnership**) and an unregistered unit trust being the Dreamoro Ventures Fund 1 Trust (**Trust**). As the Partnership and the Trust are 'stapled', investments will be made by the Partnership or the Trust and capital from investors will be allocated by the Manager to either the Partnership or the Trust accordingly. An investor in the Fund will be admitted as a Limited Partner in the Partnership and as a Unitholder in the Trust (as required).

Capital commitments will be allocated to and deployed by the Partnership where an investment is ESVCLP Eligible Investment. Capital commitments may also be allocated and deployed to the Trust stapled to the Partnership to provide flexibility to the Manager in circumstances where an investment (or component thereof) may not be an ESVCLP Eligible Investment, there is uncertainty to ESVCLP Eligibility or other reason. However, the Manager expects the majority of its committed capital (but in any event, at least the minimum \$10 million in capital commitments as required under the ESVCLP Rules) to be allocated through the Partnership.

Dreamoro Ventures Pty Ltd (ACN 669 010 593, CAR No 001306000) (**Manager, Dreamoro, Dreamoro Ventures, we, us or our**) is the investment manager of the Fund and has prepared and issued this Information Memorandum dated November 2023. The Memorandum has been prepared to provide background information for persons considering applying for an investment in the Fund.

In this Memorandum 'you' and 'your' refer to potential or existing investors in the Fund. Persons who successfully subscribe to the Fund will become a limited partner in the Partnership (**Limited Partner**) and a unitholder in the Trust (**Unitholder**) or otherwise referred to as Investors. When you subscribe to invest in the Fund you understand that you will be called to pay your capital commitment, being the amount you have agreed to commit to the Fund (**Capital Commitment**) to either the Partnership, and you will be issued with partnership

interests in the Partnership (**Partnership Interests**), or the Trust, and you will be issued with units in the Trust (**Units**).

This is an important document and you are encouraged to read it carefully and it must be read in conjunction with the:

- application form for the Fund (**Application Form**); and
- the '**Constituent Documents**' for the Fund, being the limited partnership deed in the case of the Partnership, as amended (**Limited Partnership Deed**) and the trust deed in the case of the Trust, as amended (**Trust Deed**), (together the **Investment Documents**).

The Investment Documents set out further information about your rights and obligations as an investor in the Fund. If there are inconsistencies between this Memorandum and the Investment Documents, the Investment Documents will prevail.

The offer or invitation to subscribe for Partnership Interests and Units is subject to the terms and conditions described in this Memorandum and the Constituent Documents.

Statements made in this Memorandum are made at the date of this Memorandum. Under no circumstance does the delivery of this Memorandum at any time or the issue of any Partnership Interests or Units create an implication the information contained in this Memorandum is correct at any other time subsequent to such date.

This Memorandum does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund.

The Manager, the General Partner and the Trustee (defined below) reserve the right to evaluate any applications and to reject any or all Application Forms submitted, without giving reasons for rejection. The Fund Parties (as defined in the Glossary) are not liable to compensate the recipient of this Memorandum for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund, in submitting an application or otherwise. An Application Form cannot be withdrawn once it has been submitted by a prospective investor to the Fund.

There are no cooling-off rights for Investors.

Structure and authorisations

The Partnership is structured as an incorporated limited partnership under the Partnership Act and is conditionally registered as an ESVCLP and further conditions will need to be met by the Partnership prior to being registered as an ESVCLP. The general partner of the Partnership is

Dreamoro Ventures Management 1, LP (**General Partner**), an incorporated limited partnership under the Partnership Act (ILP 2300022) and a venture capital management partnership.

The Trust is an Australian unregistered managed investment scheme and structured as a unit trust. The trustee of the Trust is One Fund Services Ltd (ACN 615 523 003, AFSL 493421) (**Trustee**).

The Constituent Documents permit the establishment of additional trusts if more than one trust is required (**Additional Trusts**). Where established, each Additional Trust will have a separate corporate trustee appointed. In this Memorandum, a reference to the Trust and to the Trustee will also be to the Additional Trusts and their respective trustee as applicable.

The General Partner and the Trustee will each appoint the Manager to manage the Partnership and the Trust respectively pursuant to an investment management agreement (**Investment Management Agreement**).

Investments that meet the investment strategy of the Fund will only be made by the Partnership if they are (and are expected to continue to be) ESVCLP Eligible Investments. Investments which are not made by the Partnership that meet the investment strategy of the Fund will be made by the Trust.

The Manager is an authorised representative of One Wholesale Fund Services Ltd (ACN 159 624 585) the holder of AFS Licence number 426503 (**Licensee**). The corporate authorised representative number for the Manager is 001306000 and the Manager is authorised to provide general advice and to deal in financial products on behalf of the Fund in respect of Wholesale Clients only.

The Licensee has also appointed the General Partner as its corporate authorised representative under the Corporations Act authorising the General Partner to provide general advice and to deal in financial products on behalf of the Fund in respect of Wholesale Clients only. The corporate authorised representative number for the General Partner is 00136275.

The Licensee has entered into an intermediary authorisation arrangement with the Partnership pursuant to the Authorised Intermediary Agreement, authorising the Licensee to make offers to arrange for the Partnership to issue, vary or dispose of Partnership Interests in the Partnership pursuant to the provisions of section 911A(2)(b) of the Corporations Act. The Partnership may only issue, vary or dispose of such Partnership Interests in accordance with the Licensee's offers, provided they are accepted.

Terms of receipt of this Information Memorandum

This Information Memorandum is supplied personally to the recipient on the conditions set out in this 'Important Information' section of the IM. The recipient's acceptance of these conditions is evidenced by its retention of this Information Memorandum. If these conditions are not acceptable, the recipient must return the Information Memorandum to the Manager immediately.

Wholesale Clients

Any offer contained in this Memorandum to subscribe for Partnership Interests and Units is only available for acceptance by wholesale clients within the meaning of section 761G of the Corporations Act (**Wholesale Clients**) and is not available to retail clients within the meaning of the Corporations Act.

Confidentiality and distribution of this document

This Information Memorandum and any other information provided in connection with this Information Memorandum is confidential to the Manager. It is provided to prospective investors for the sole purpose of considering an investment in the Fund and must not be copied, supplied, disseminated or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Manager's prior written consent.

No investment advice

The information in this Memorandum is general in nature and has been prepared without taking account of your investment objectives, financial situation or needs and accordingly the information contained in this Memorandum does not constitute personal financial advice for the purposes of section 766B(3) of the Corporations Act. This Memorandum does not contain investment, legal or tax advice, nor is it a recommendation or opinion on the merits of investing in the Fund. You should seek professional advice and conduct your own investigation and analysis regarding the information contained in this Memorandum.

Investment in the Fund is speculative and may not be appropriate for you. You should consider the appropriateness of investing in the Fund having regard to your objectives, financial situation and needs.

None of the Fund Parties or any of their related parties, officers, employees, consultants, advisers or agents warrant that an investment in the Fund is a suitable investment for the recipient.

This Memorandum supersedes all previous representations and communications (including investor presentations and discussions) in respect of the Fund.

Changes

Statements in this Memorandum are made only at the date of this document unless otherwise stated and the information in this Memorandum remains subject to change without notice. This Memorandum does not purport to be all inclusive or to contain all information which recipients may require about an investment in the Fund. The Manager may, in its absolute discretion, but without being under any obligation to do so, update, supplement or replace this Memorandum from time to time or vary the offer including to close the offer at any time, accept late subscriptions, increase or decrease the size and timing of the offer, without notice and may apply changes which are necessary in order to obtain and maintain ESVCLP registration.

Information given in this Information Memorandum or otherwise

This Memorandum is provided to you as a person to whom an offer of the Partnership Interests and Units would not require a disclosure document under Part 7.9 of the Corporations Act because you are a Wholesale Client. If you are not a Wholesale Client, please do not read this Memorandum. Please return it immediately to the Manager.

The Fund, at the date of this Memorandum, is not required to be, and is not, registered as a managed investment scheme pursuant to section 601ED of the Corporations Act.

Past performance is not indicative of future performance. Forecasts, projections and forward-looking statements are by their nature subject to significant uncertainties and contingencies therefore there are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The actual outcomes are dependent on future events which may be radically different from those predicted for reasons outside of the Fund Parties' control. It is particularly important you carefully consider the risk factors that could affect the performance of the Fund in light of your personal circumstances before making an investment decision. You should make your own independent assessment of the information and seek your own independent professional advice in relation to the information and any action taken on the basis of the information. In particular, no representation or warranty is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or forward looking statements contained in this Memorandum.

No liability

The Manager has prepared this Memorandum based on information available to it at the time of preparation and from sources believed to be reliable. No representation or warranty is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this Memorandum or any other information the Manager otherwise provides to you.

The Fund Parties disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Memorandum (or any accompanying or subsequent information); do not have an obligation to advise any person if any of them becomes aware of any inaccuracy in, or omission from, this Memorandum (or any accompanying or subsequent information); and, notwithstanding the above, do not exclude any condition, warranty or right, the exclusion of which would contravene any applicable law.

The Fund Parties strongly recommend that prospective investors read this Memorandum and the Investment Documents in their entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this Memorandum and the Investment Documents.

None of the Fund Parties guarantees the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund or an investment in the Fund generally.

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 total loss of, the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital.

Neither the Licensee nor or any of its related parties, officers, employees, consultants, advisers or agents has carried out an independent audit or independently verified any of the information contained in this Memorandum, nor do they give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this Memorandum, nor do any of them, to the maximum extent permitted by law, accept any liability whatsoever however caused to any person relating in any way to reliance on information contained in this Memorandum or any other communication or the issue of Partnership Interests or Units.

This Memorandum may refer to information prepared by people who are not the Fund Parties nor their respective employees or representatives. Such information is provided for your interest and convenience only.

Foreign jurisdictions

The distribution of this Memorandum and the offering of Partnership Interests and Units in jurisdictions outside of Australia may be restricted by law. No recipient of this Memorandum in any jurisdiction may treat it as constituting an invitation or offer to them to apply for interests in the Fund unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that recipient in compliance with applicable law.

This Memorandum (including any copy of it) may not be distributed, directly or indirectly, outside Australia where it may be unlawful to do so. Any person who receives a copy of this Memorandum in circumstances where receipt of this Memorandum is unlawful or unauthorised or requires the Manager to take any additional steps, including registration, must not accept the copy of the Memorandum and must immediately return it to the Manager. Any failure to comply with restrictions on receipt or distribution of this Memorandum may constitute a violation of applicable securities law.

Unless otherwise agreed with the General Partner (in the case of Partnership Interests) and the Trustee (in respect of Units), any person applying for Partnership Interests and Units by virtue of the person's Application Form is deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Memorandum, and are not acting for the account or benefit of a person within such jurisdiction. The Fund Parties do not bear any liability or responsibility to determine whether a person is able to apply for Partnership Interests or Units pursuant to this Memorandum.

Risks

See Section 7 'Investment Risks' of this Memorandum for further information about the risks involved in making an investment in the Fund and the performance of the Fund's investments.

General

The contents of this Memorandum are:

- not intended to be disclosed to any person other than the person to whom this Memorandum has been provided to by the General Partner, the Trustee or the Manager;
- strictly confidential; and
- not to be reproduced, either in whole or in any part or parts, without the Manager's prior written consent and, if such written consent is given, only in accordance with that consent.

It is important that prospective investors read the entire Memorandum and the Investment Documents before making any decision to invest in the Fund.

None of the Fund Parties have authorised any person to give any information or make any representations in connection with the Fund which are not in this Memorandum and if given or made such information or representations must not be relied upon as having been authorised by the Fund Parties. Any other parties distributing this product to investors are not the Fund Parties' agent or representative and are doing so on their own behalf. The Fund Parties are not responsible for any advice or information given, or not given, to prospective investors by any party distributing this product and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from prospective investors or their authorised representatives relying on any information that is not in this Memorandum when investing.

Glossary

A glossary of the main terms used is found at the end of this Memorandum in Section 14 'Glossary'. Terms are also defined within this Memorandum. Capitalised terms are defined in this Memorandum. All references to dollar amounts are to Australian Dollars (A\$) and are exclusive of GST, unless otherwise stated.

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1 Executive summary

Introducing Dreamoro Ventures:

Dreamoro Ventures is a specialist venture capital firm led by a team of C-suite executives (public and private market) and experienced investment managers, that is also associated with a technology and commercialisation team, Dreamoro Studio, to support Founders who are building leading digital companies in healthtech and digital media & entertainment which aim to deliver positive impact on our community, people's lives and the planet. Further information on the partnership between Dreamoro Ventures and Dreamoro Studio is set out in Section 5 'Dreamoro Studio and Advisory Board'.

Building a market-leading tech start-up is an immense challenge. Traditional VC assistance is typically limited to board advisory and business planning capabilities while failing to mitigate the core reason most high-quality early stage companies don't succeed – a lack of focus on a product-market's core competitive dynamics and the key capabilities required to become a market leader.

We believe this narrow focus from VCs can result in outstanding investment opportunities being overlooked whilst funding is nonetheless directed to companies lacking the required capabilities to become sustained market leaders. Together with the complementary technical and commercial acumen provided by Dreamoro Studio, we believe that Dreamoro Ventures can unlock additional investment opportunities, optimise uses of investee capital, and enhance realisation prospects across the portfolio.

Dreamoro Ventures seeks investee companies that it considers having the potential to be capital-efficient and generate significant cash flow. These typically have a validated MVP, clear product-market fit, large market opportunity and scalable operating model.¹ Furthermore, they tend to be purpose driven, engage in their community, align to one or more of the United Nation's 17 Sustainable Development Goals² with a founder of integrity, emotional intelligence and talent.

We believe that current, global macroeconomic factors are presenting more rational (and sometimes discounted) valuations creating an exciting moment for securing investments in early stage businesses with robust business models, strong growth potential, and clear paths to profitability.

The Fund will invest in private, unlisted companies in the pre-seed, seed and start-up stages of development, with some further follow on investments in the expansion-capital stages. Sectors of investment focus are healthtech and digital media & entertainment together with enablers of these sectors with a predominant focus in Australia. The Fund may, when opportune, invest in other early stage capital offers and secondary or sell-down events.

The Fund is a stapled structure which is comprised of the Partnership, being an incorporated limited partnership under the Partnership Act and is conditionally registered as an ESVCLP³ and the Trust, being an Australian unregistered managed investment scheme, which is a unit trust expected to qualify as a MIT (see Section 7 'Structure of the Fund' for a detailed review of the Fund structure). The Partnership may only make investments that meet the ESVCLP Eligible Investment criteria.

The Founder's Challenge:

In our experience, Founders typically hold domain-specific expertise but lack the technology or leadership experience needed to build a successful business. Even where those skills are present, execution delays, continual product iterations and wasted capital spending remain rampant across the start-up landscape.

¹ Ismail, S., Diamandis, P. H., & Malone, M. S. (2023). *Exponential Organizations 2.0: The New Playbook for 10x Growth and Impact* [Review of *Exponential Organizations 2.0: The New Playbook for 10x Growth and Impact*], Singularity University.

² (2022). *The Sustainable Development Goals Report* [Review of *The Sustainable Development Goals Report*]. United Nations. <https://unstats.un.org/sdgs/report/2022/>

³ Further conditions will need to be met by the Partnership prior to being registered as an ESVCLP.

Hiring the right mix of people to effectively work together continues to present *considerable* risks and challenges. Founders and developers often design an MVP without considering, let alone optimising, the product's architecture for scalability, security and compliance. Suitably skilled and available resources for guiding, developing and realising a fit-for-purpose product economically remain chronically hard to find.

In the end, Founders who do ultimately succeed will tell you they wished they had access to a more mature team who knew what they were doing in the early days. Learning these lessons after several years and several product iterations drives unnecessary cash burn, ownership dilutions and lost opportunities. Most Founders will admit the journey was more costly, more nerve racking and less enjoyable than they imagined.

Dreamoro Group ethos:

These issues are why we created Dreamoro Ventures – a venture capital firm that is associated with a separate yet aligned technical studio, Dreamoro Studio, to provide Founders access to experienced technology and commercialisation resources focused on helping Founders build high-performing organisations that deliver scalable, secure and successful digital products to market.

The Dreamoro Venture's relationship with Dreamoro Studio aims to generate improved Fund returns by applying:

- a repeatable framework for assessing the suitability of a Founder for investment;
- commercially validated MVP;
- technical due diligence to assess digital architecture (scalability, security and compliance);
- improved long term planning, resourcing, implementation and governance; and
- risk assessment in technology procurement and execution guided by Dreamoro Studio (see also Section 5 'Dreamoro Studio and Advisory Board').

Dreamoro Ventures in the Australian VC landscape:

As capital continues to flow at record levels into the global VC market, and Australian VC funds continue to grow their funds under management, our research shows that most funds continue to invest at series A or later, larger capital rounds. Our view is that there has been a lack of focus on the capabilities that are required to realise early stage investment opportunities, creating an exploitable gap for Dreamoro Ventures.

As a disciplined, experienced early stage investor, we believe that Dreamoro Ventures is well positioned to generate higher positive returns (compared to Series A or later rounds) as:

- early stage valuations are typically much lower;
- there can be less competition for the best investment opportunities;
- investors can have more influence through suitably aligned mentorship, oversight, expertise and counsel; and
- more investment structures are available to early stage investors such as secondary offers, follow-on investments and co-investment.

We have already completed provisional due diligence with several exciting early stage companies and secured optioned allocation for the Fund should we wish to proceed.

We hope you will join us and the Fund in cultivating and realising Founders' dreams to life with products that seek to have a positive impact on our community, people's lives and the planet to help create a better tomorrow.

2 Summary Fund Terms⁴

Dreamoro Ventures Fund 1		
Manager	Dreamoro Ventures Pty Ltd	Section 4 'Investment Manager Overview'
Fund and structure	Dreamoro Ventures Fund 1, comprised of Dreamoro Ventures Fund 1, LP and Dreamoro Ventures Fund 1 Trust.	Section 7 'Structure of the Fund'
Investment stages	Pre-seed, seed & start-up with some further follow on investments in the expansion-capital stages	Section 4 'The Investment Opportunity' Section 6 'Investment strategy'
Sector(s) of focus	Healthtech and digital media & entertainment	Section 4 'The Investment Opportunity' Section 6 'Investment strategy'
Fund size (target)	\$20 million in Fund Capital Commitments and a maximum of \$80 million in Fund Capital Commitments over a series of closes, commencing on the First Closing Date.	Section 6 'Investment strategy'
Target IRR	The investment objective of the Fund is to deliver returns to Investors equivalent to an IRR of approximately 25% per annum (net of fees and expenses, prior to tax) over a 7 year period commencing on the First Closing Date ⁵ . This is only a target and may not be achieved	Section 6 'Investment strategy' Section 8 'Key Terms'
ESVCLP (tax concession status)	The Partnership is conditionally registered as an ESVCLP under the Venture Capital Act. Further conditions will need to be met by the Partnership prior to being unconditionally registered as an ESVCLP	Section 11 'Taxation'
Investee subscription sizes	\$1 million to \$3 million (including follow-on investments)	Section 6 'Investment strategy'
Portfolio size	7-10 primary investments in new investees each year, creating a target portfolio of 25-35 investee companies	Section 6 'Investment strategy'
Management fee	2.20% p.a plus GST	Section 8 'Key Terms' Section 10 'Fees and Costs'
Preferred Return and Carry	Broadly representing an IRR of 10% per annum (including franking credits/ offsets) to Investors and 20% Carry	Section 8 'Key Terms' Section 10 'Fees and Costs'
Investment period	4 years + 18 month extension option	Section 8 'Key Terms'
Term	10 years + 3 years extension option	Section 8 'Key Terms'
Minimum investment	\$250,000 unless otherwise agreed with the Manager	Section 8 'Key Terms'

⁴ This section contains a summary and description of certain features of the Fund. Any information provided in this Information Memorandum and in any other document or communication is subject to the terms of the Constituent Documents. See also Section 8 'Key Terms'

⁵ This period is based on Dreamoro's expectation of the typical and average hold period, which may not be the actual hold period of all investees of the Fund.

Manager Participation	The lower of \$1 million and 1.25% of Fund Capital Commitment (funded by the after tax proceeds of the Management Fee)	Section 8 'Key Terms'
Closing dates	First Closing Date 15 June 2025 or earlier as the Manager determines in its sole discretion. . Final Closing Date to be determined by the Manager (no later than 18 months from First Closing Date)	Section 8 'Key Terms'
Key Terms	Section 13 'Key Terms' sets out a high level summary of the key terms of the Fund. The Constituent Documents will prevail over this summary and Memorandum	Section 8 'Key Terms'
Risks	Investing in private market early-stage venture companies is inherently risky. The investee companies and the Fund may be exposed to a wide range of risks. Furthermore, the risk/return profile will vary from investment to investment, with earlier stage investments being typically riskier (and with higher potential returns) than later stage investments	Section 9 'Investment Risks'
How to apply	Applications to invest in the Fund are made by way of the Application Form available at www.olivia123.com/dreamoro-ventures-pty-ltd/dreamoro-ventures-fund-1.php	Section 11 'Investing in the Fund'

3 The Investment Opportunity

3.1 Summary

- Venture capital or 'VC' as an asset class has outperformed other technology investment vehicles over the short and long term in developed economies (see Section 3.2 below).
- Australia's VC ecosystem continues to expand and hold deeper capital pools from more players.
- Nonetheless, Australian Founders typically describe the local ecosystem as unsupportive and unaligned to their needs.
- Healthtech and digital media & entertainment enjoy material tailwinds and present a large and especially attractive space for technology investing.
 - Across APAC, healthtech is estimated to grow from a USD \$37 billion market in 2020 to a USD \$100 billion market by 2025 at an annual rate of 22% and USD \$660 billion globally in the same period.⁶
 - Digital advertising and media accounts for 4% of Australian GDP⁷ (~\$95 billion), and we see the global ecosystem as being amid a complex and large-scale transformation:
 - Corporates and agencies are seeking A.I. integrations at all layers of the digital media stack (and sales process)
 - Consumers seek ever richer and more targeted media & experiences, Regulators are imposing enhanced data-privacy and compliance regimes around the world. (e.g. EU GDPR).
- Thus, it is our view that a Fund focused on these sectors and specifically designed to both leverage and mitigate the issues that Founders report should hold an advantage in accessing quality deal flow and delivering outsized opportunities for Investors.

3.2 Venture Capital in developed economies

Performance

Across developed economies, VC as an asset class has outperformed listed exposures as a means of accessing technology investments, whilst demonstrating downside protection in recent down-years. This has occurred over 1 year, 5 year and 10 year time horizons.

The US VC market outperformed the world's premier technology index (NASDAQ composite) by ~3% annually, (18.65% vs 15.62%) over the 10 years to 31 December 2022, and despite a widely reported downturn during calendar 2022, still outperformed the NASDAQ index by 11% (-21% vs -32%) (see Figure 1 below).

Results have been comparable outside the US, with the Ex-US Developed Markets PE&VC Index strongly outperforming the MSCI All-World Ex-US Technology Index with the same 10yr horizon (14.5%, vs 10.2%) and again offering material downside protection, with -11.1% for PE&VS vs -34.5% the listed vehicle (see Figure 2 below).

Also specifically in the Australian market, similar relative VC returns have outperformed local listed equities by principals taking advantage of longer investment horizons and patience for opportunities, having better access to high-growth and high-reward investment offers, stronger principal alignment, less liquidity pressure and deeper domain expertise of VCs (see Figure 3 below).

⁶ Awakening the Giant – The Rise of Australia's *evidence-based* Digital Health Sector; *ANDHealth* 2021

⁷ 'Ad'ing value: The impact of digital advertising on the Australian economy and society, *IAB Australia in conjunction with PwC*, 2022

Furthermore, we view the current downturn as representing a “mean-reversion” scenario for valuations and, therefore a material opportunity to invest in strong companies at more sensible valuations than during the Covid peaks.

The below tables detail respective Australian, US and “Developed Markets” VC performance and compares returns relative to comparable asset classes. The performance reports show that the VC sector in a “Developed Market” has consistently outperformed other investment classes in the medium and long term.

Figure 1: US venture capital annual % returns as at 31 December 2022⁸

Index	1-YEAR	3-YEAR	5-YEAR	10-YEAR	15-YEAR	20-YEAR	25-YEAR
CAMBRIDGE ASSOCIATES LLC US VC INDEX	-20.77	24.95	22.46	18.65	12.73	12.23	25.40
Constructed Index: MSCI World/MSCI All Country World Index (gross)	-17.61	4.06	5.49	8.54	5.60	8.54	6.77
mPME Russell 2000® Index	-20.06	2.82	3.95	9.50	7.58	9.73	7.86
mPMEConstructed Index: NASDAQ Composite Price Index/NASDAQ Composite Total Return	-32.42	6.77	10.28	15.62	11.26	12.04	9.89

Figure 2: ex US Developed Markets private equity and venture capital annual % returns as at 31 December 2022⁹

Index	1-YEAR	3-YEAR	5-YEAR	10-YEAR	15-YEAR	20-YEAR	25-YEAR
EX US DEVELOPED MARKETS PE & VC INDEX	-11.11	17.39	16.10	14.45	9.00	14.71	14.16
MSCI All World Ex-US Tech (USD)*	-34.47	3.19	4.95	10.18	11.19*		
Mpme Constructed Index: MSCI World/MSCI All Country World Index (gross)	-17.60	4.57	5.73	8.91	6.00	7.79	6.82
Mpme MSCI EAFE Index (net)	-13.69	1.07	1.69	4.90	2.62	5.00	4.29
Mpme MSCI Europe Index (net)	-14.24	1.70	2.15	4.88	2.46	5.10	4.40

* Represents 14 Year return from 1/01/2009-31/12/2022). 15 year data not available.

⁸ Cambridge Associates LLC, Frank Russell Company, MSCI, Inc., Standard & Poor’s, and Thomson Reuters Datastream.

⁹ Cambridge Associates LLC, MSCI Inc., and Thomson Reuters Datastream. See Notice on Third Party Index Disclosure.

Figure 3: Australian private equity and venture capital % returns as at 30 June 2021¹⁰

Index	5-YEAR	10-YEAR	20-YEAR
AUSTRALIA PE & VC INDEX (AUD)	16.6	15.2	13.3
S&P/ASX 300 Index	11.5	9.3	7.3
S&P/ASX Small Ordinaries Index	11.8	5.2	4.7

Notable Trends

Dreamoro has identified the following notable trends:

Significant asset growth: According to data from *Crunchbase* and *National Venture Capital Associations*, global VC investment reached a record high of USD \$681 billion in 2021 but was down 35% in 2022 to USD \$445 billion.¹¹ By the end of 2022, estimates of total dry powder exceed USD \$550 billion across global markets, ensuring there is substantial deal-making capital available and awaiting deployment.¹² Our observation is that the trend should continue as the same last 5-year VC investment growth attributed to early stage start-ups, demonstrating the continued appetite for high-growth, innovative companies.¹³

Concentration to mega-rounds (*investments of USD \$100 million or more into a single company*): According to *CB Insights*, mega-rounds accounted for USD \$190.1 billion of funding in 2022 or 42% across 923 rounds.¹⁴ This is compared with 2021 when 49% of VC capital was deployed in a mega-round. Our view is that this trend suggests that investors are willing to place larger bets on companies that they believe have the potential for significant growth.

Increasing capital deployed outside traditional start-up hubs (*e.g Silicon Valley*). According to data from *Crunchbase*, the share of VC investment going to start-ups outside of the United States and China increased from 28% in 2017 to 36% in 2021.¹⁵ We believe that this trend is driven by the growing number of innovative start-ups emerging from regions such as Southeast Asia, Europe, and Latin America.

Enhanced Founder diversity: According to data from *PitchBook*, in 2021, female-founded companies received a record \$29 billion in venture capital investment, up from \$22 billion in 2020.¹⁶ Additionally, according to the *National Venture Capital Association*, venture capital investment in minority-founded start-ups reached a record \$17.8 billion in 2021.¹⁷

The impact of the COVID-19 pandemic: While the pandemic has accelerated the adoption of digital technologies and created new opportunities for innovative start-ups, it has also created significant economic uncertainty and disrupted traditional business models. As a result, capital markets in the last 12 months have taken a more cautious approach with a focus on companies with strong growth potential and resilient business models.

¹⁰ Cambridge Associates LLC, Bloomberg Barclays, Standard & Poor's and Thomson Reuters Datastream.

¹¹ *Crunchbase* January 2023, Venture Monitor, *Pitchbook-NVCA* Q42022

¹² *Crunchbase*, April 2023

¹³ *Crunchbase* January 2023

¹⁴ State of Venture Report, *CB Insights* 2022

¹⁵ *Crunchbase* July 2022, *Dealroom.co* May 2023.

¹⁶ *PitchBook*, July 2022

¹⁷ *National Venture Capital Association*, July 2022

Figure 4: Global Venture Capital Dollar Volume 2013 to 2022¹⁸

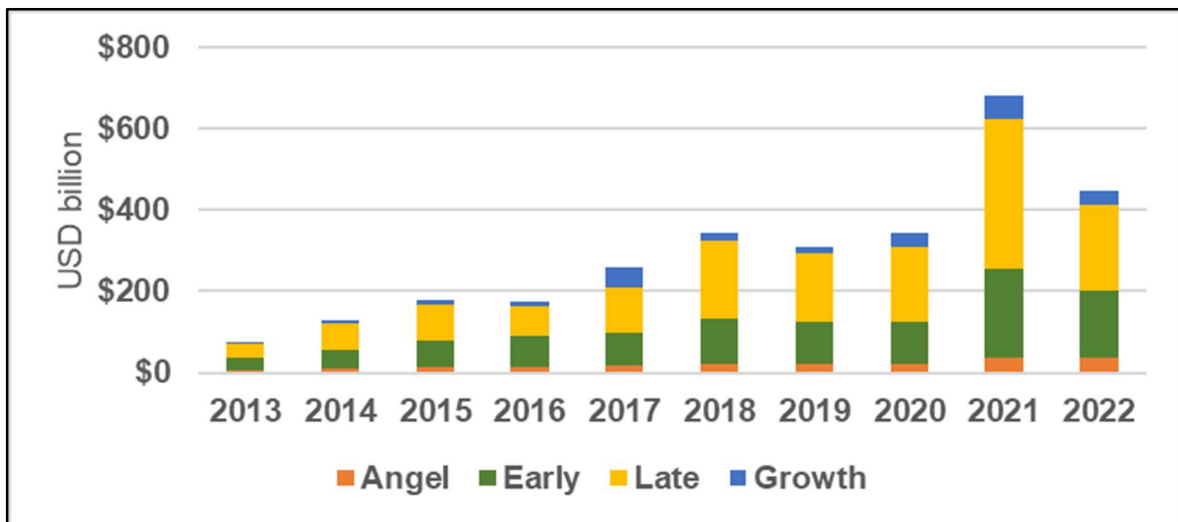
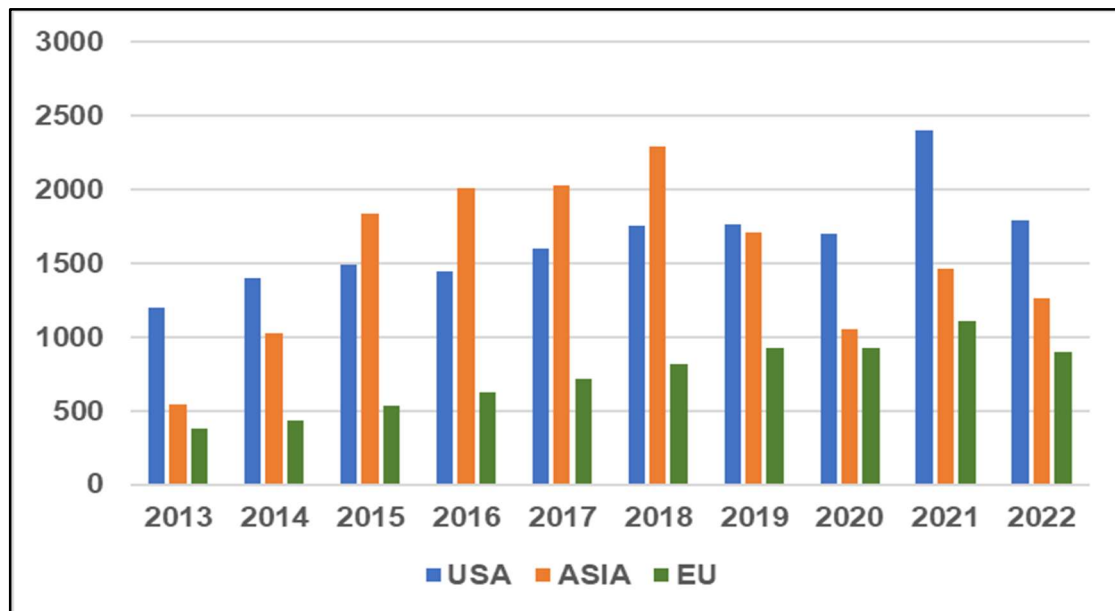


Figure 5: Series A Deal Counts In US, Asia And Europe¹⁹



3.3 Venture Capital in Australia

Australia's broader start-up and VC ecosystem is still minor in the global arena, accounting for approximately 1.3% of global VC in 2022.²⁰ Australian entrepreneurs have historically produced innovative companies that are well regarded and have received significant funding from local and overseas investors, including from the United States, China, Singapore, UK, India and other major VC markets.

The Australian ecosystem is developing rapidly – there are now more funds, more capital, and more start-ups than ever before.

- Early stage venture capital limited partnerships (**ESVCLP**) structured funds totalled a record \$4.5 billion of capital commitments in FY2022, marking a 35% increase on FY2021, and 38%

¹⁸ Crunchbase, January 2023

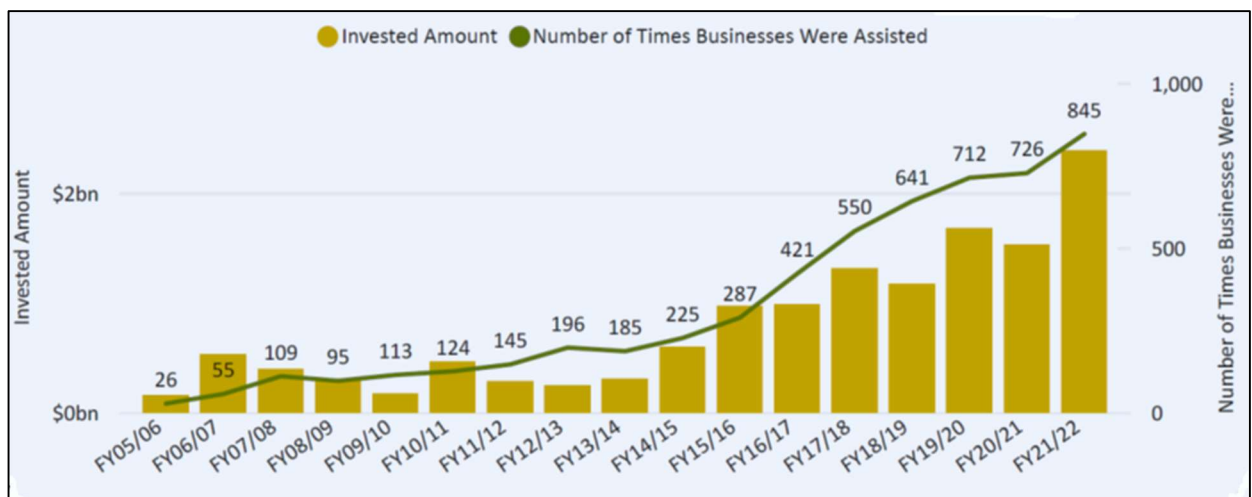
¹⁹ Crunchbase, December 2022

²⁰ Venture Pulse, Q4'22, Global Analysis of Venture Funding, KPMG Private Enterprise, PitchBook, January, 2023

y-o-y growth since FY2015.²¹

- Venture capital limited partnerships (**VCLPs**) saw \$18.5 billion in capital committed in FY2022, and a similar 35% y-o-y growth rate since FY2015.²²
- Capital sources for both ESVCLP and VCLP programs: Oceania 51%, Americas 29%, Asia 11% and Europe 9%.²³
- ESVCLPs deployed \$591 million in FY2022 (up 35% y-o-y) and VCLPs deployed a total of \$1.7 billion (up 64% y-o-y). Number of businesses assisted to date = 2,351. Number of limited partners who may benefit from programs' tax concessions = 11,850.²⁴
- Combined, these funds made 845 deals last year with an average ticket of \$400,000 for ESVCLPs and \$1.96 million for their later stage VCLP counterparts.²⁵
- Founders are increasingly diverse; 41% of funded start-ups had a female Founder or co-Founder, (up from 37% in 2019) 17% of funded start-ups had at least one Founder from a minority background, up from 15% in 2019.²⁶
- During 2022, 6 new Australian "Unicorns"²⁷ were "minted"^{28,29} and a significantly broader group reached the USD \$100 million+ valuation threshold.

Figure 6: Australian Government VCLP + ESVCLP – historical round count and AUD investment³⁰



²¹ Department of Industry, Science and Resources (Cth) – Venture Capital Dashboard FY2021/22

²² Department of Industry, Science and Resources (Cth) – Venture Capital Dashboard FY2021/22

²³ Department of Industry, Science and Resources (Cth) – Venture Capital Dashboard FY2021/22

²⁴ Department of Industry, Science and Resources (Cth) – Venture Capital Dashboard FY2021/22

²⁵ Department of Industry, Science and Resources (Cth) – Venture Capital Dashboard FY2021/22

²⁶ Australian Bureau of Statistics - Australian Venture Capital and Private Equity Industry Survey 2020

²⁷ The term "unicorn" commonly denotes a privately held company which has a valuation of over USD \$1 billion.

²⁸ The term "minted" commonly denotes an executed priced capital round.

²⁹ State of Australian Startup Funding Report 2022 – Folklore Ventures, Cut Through Ventures et al.

³⁰ Department of Industry, Science and Resources (Cth) – Venture Capital Dashboard FY2021/22

Figure 7: ³¹ Select Australian “Unicorns” and “Decacorns”³² (2021/2022)³³

Name	Sector	Description	AUD Valuation
Atlassian	Enterprise Software	A collaboration software company that provides a range of tools for software development and project management.	\$57 billion
Canva	Design and digital media	A graphic design platform that allows users to create professional-quality designs for print and digital media.	\$38 billion
AirWallex	FinTech	A provider of drone logistics solutions for medical and healthcare supplies in remote areas.	\$8.8 billion
Immutable	Crypto/NFT	Enables developers to build fast, scalable and secure applications for 'NFTs' and blockchain games	\$3.5 billion
ROKT	Design and digital media	E-Commerce marketing/advertising technology, allowing customers a personalised online purchase experience	\$2.75 billion
SafetyCulture	Enterprise Software	A safety and quality inspection platform that enables businesses to streamline and automate their safety and quality assurance processes.	\$2.2 billion
A Cloud Guru	Digital Media/ Education	Provider of online video and educational material to assist in certification for working with major cloud-services providers. Exited to US-based Pluralsight	Exited for >\$2 billion
Culture Amp	Enterprise Software	A platform that helps businesses measure and improve employee engagement and company culture.	~\$2 billion
Go1	Online Education	A learning management platform that aggregates online training courses for businesses and individuals with single-sign on	~\$2 billion
LinkTree	Digital media	A social media tool that allows users to create a landing page with links to multiple websites or online profiles.	\$1.8 billion
Harrison.AI	Healthtech	Developing and implementing 'AI' solutions for healthcare, fertility and medical imaging applications.	>\$1 billion
Envato	Design and digital media	A marketplace for creative assets, such as graphics, video templates, and website themes.	>\$1 billion
Employment Hero	Enterprise Saas	People management platform covering 'HR', payroll, learning, recognition and benefits	>\$1 billion
Eucalyptus	Healthtech	A direct to consumer virtual or tele-health provider for men, women and skincare consults.	>\$1 billion
Cyara	Digital media and marketing	Automated testing and monitoring and simulation of customer interactions across 'IVR', voice and digital channels	>\$1 billion

³¹ The companies listed are not Fund investments and are provided for information purposes. The valuations are not prepared by Dreamoro and may not be up to date as at the date of this Information Memorandum.

³² The term “decacorn” commonly denotes a privately held company which has a valuation of over USD \$10 billion.

³³ *Pitchbook, AFR, State of Australian Startup Funding Report 2022*

Figure 8: Australian Start-ups Valued over \$100 million by year founded as at August 2021³⁴

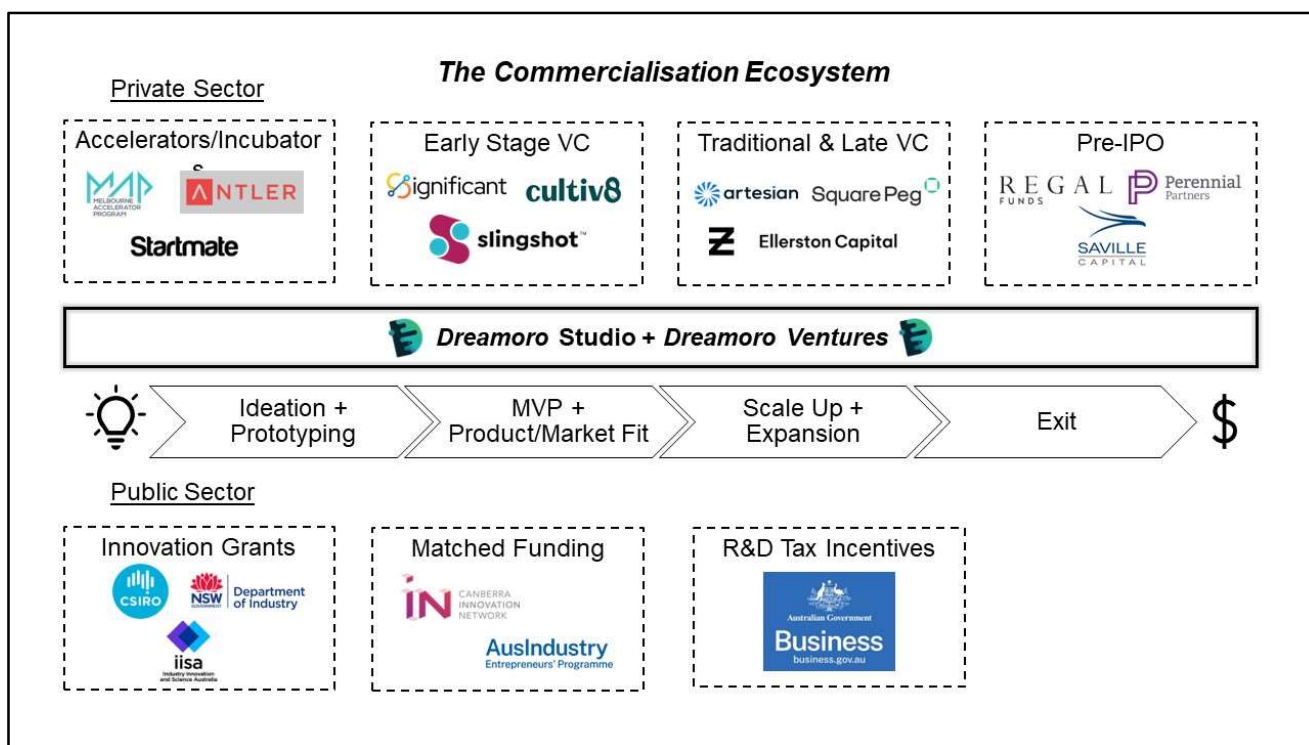


Australia’s start-up ecosystem:

Australia’s start-up ecosystem can be segmented into the participants who principally assist prior to meaningful revenue or market traction (the ‘early stage’ players) – and those who come in later to rapidly scale businesses with demonstrated product-market fit (the ‘post-validation’ players). There are also various government grants, matched funding and other tools provided to start-ups from the public sector. Multiple players operate within each of these layers with a greater pool of capital weighted to the later stages of investing.

³⁴ Pitchbook, Press Articles, Airtree estimates, August 2021

Figure 9: Capital participants in the start-up and scaling cycle³⁵



Early stage players:

1. **Angels** – invest personal funds and may take further ‘sweat’ equity for expertise.
2. **Incubators** – provide physical space, networks and mentorship to start-ups, traditionally without providing finance.
3. **Accelerators** - provide small scale funding, networks and training to ideas and start-ups
4. **Early stage funds** – assisting the business to gain market traction and attracting strategic capital

Post-validation players:

5. **‘Traditional’ and ‘later stage’ VC funds** – provide capital to products with proven market traction and establish an investment grade capitalisation (“cap”) table.
6. **Pre-IPO** – generally provides liquidity via a secondary-market such as an initial public offering (IPO) for Founders and early investors

Public sector support:

7. **Government grants** – sub-\$100,000 grants to assist in prototyping and idea development
8. **Government matched funding** – up to \$500,000
9. **Research & development (R&D) tax incentive**

The increasing capital pool, the volume of VC firms and the range of government support within Australia’s entrepreneurial ecosystem has led it to now boasting one of the world’s most “attractive” start-up environments, moving up to number 8 for global attractiveness in 2022³⁶. However, Australia’s broader start-up and VC ecosystem is still minor in the global arena, accounting for approximately 1.3% of global VC in 2022.³⁷

³⁵ Dreamoro Ventures research

³⁶ Global Startup Ecosystem Index Report, *StartupBlink* – 2022

³⁷ Venture Pulse, Q4’22, Global Analysis of Venture Funding, *KPMG Private Enterprise, PitchBook*, January 2023

Accelerators and Incubators:

The Australian VC market is surrounded by dozens of incubators and accelerators seeking to fast track the ideation and development of hundreds of new start-ups launch each year. They play an important developmental role in the ecosystem, helping new start-ups develop their products and systems as well as their readiness for investment.

A sample of accelerators, incubators and their capital deployments is below:

1. [Antler Australia](#) is the local outpost of the global start-up accelerator, offering a six-month program in Melbourne and Sydney providing mentorship, and resources. Successful graduates receive up to \$225,000 for 12% of equity, with Antler clawing back an additional \$68,000 fee from Founders if backed in a future round.³⁸
2. [Startmate](#) is a start-up accelerator providing funding, mentorship, and access to its network of investors and mentors. Successful businesses receive \$120,000 for 8.5% of equity at ~\$1.4 million valuation.³⁹
3. CSIRO's [ON-Accelerate](#) program helps Founders commercialise their research and introduces them to deep-tech venture capitalists. On-Accelerate provides up to \$30,000 for participants, with VC partners offered \$120,000 SAFE note at a \$1.5 million valuation cap.⁴⁰
4. [SproutX](#) is an agtech-focused accelerator providing up to \$100,000 over a 6-month online course with fortnightly mentoring.⁴¹
5. [Stone & Chalk](#) is a fintech-focused start-up incubator that provides mentoring, funding, and co-working spaces within a curated community.⁴²
6. [Cicada Innovations](#) is a deep tech incubator that offers a curated community to assist in commercialising innovations and bring them to market.⁴³

It is our view that the incentive models adopted by these accelerators and incubators can represent a major challenge to Founders. This is because we believe that accelerators and incubators are generally driven by a short-terminist 'boot-camp' approach at the ideation phase of opportunities which in practice can give rise to rent-seeking behaviour by volume over quality.

Whilst Founders are presented access to tools, mentors and advisors within accelerators, we believe the underlying focus remains preparation for "the next cheque" and generating ancillary fees. Sadly, this can be prioritised over building a truly sustainable business. It is our view that these fee models, small ticket sizes, low valuations and compressed timelines can typically represent poor value to Founders. In stark contrast to the Australian accelerator and incubator experience, the world's preeminent accelerator – *Y Combinator* – provides USD \$500,000 to its candidates, 75% of which is without a valuation cap.⁴⁴

We believe that Dreamoro Ventures provides a specialised offering within this market, differentiating itself through its partnership with Dreamoro Studio which allows it to provide short and long term consultancy services (rather than a standard incubator or accelerator program). By focusing on these specialised services, Dreamoro Venture's intends to position itself as a preferred VC partner amongst the wider start-up community and to actively source partnerships that fit the Fund's investment criteria.

³⁸ *StartupDaily.net*, article published 20 March 2023

³⁹ *StartupDaily.net*, article published 20 March 2023

⁴⁰ CSIRO On-Accelerate Program

⁴¹ *SproutX*, March 2023

⁴² *Stone & Chalk*, March 2023

⁴³ *Cicada Innovations*, March 2023

⁴⁴ *Y Combinator*, March 2023.

Government grants and matched funding:

The nationwide push for innovation has led to a range of Government grants being made available to start-ups. However, in our view Founders too often spend substantial time identifying and applying for Government grants with often limited financing, and with little idea of where to efficiently spend funds if they are granted. Moreover, with the majority of grants provided through rebates and matched funding, our experience is that underfunded and un-funded Founders have almost no access.

Figure 10: Selected Government innovation programs:⁴⁵

Administrator/ Program	Government	Amount	Objective & Eligibility
AusIndustry	Cth.	\$2,500 to \$20,000.	Start-ups and 'SMEs' who've already participated in the governments other business management services grants
AusIndustry	Cth	Up to \$1 million (50% of eligible costs)	Provides entrepreneurs and start-ups with access to expert guidance regarding commercialisation solutions, and potentially matched funding available to support the commercialisation.
Australian Taxation Office (ATO) (R&D Incentives)	Cth	38.5% or 43.5% offset	Up-front tax offsets for SMEs undertaking experimental R&D activities to generate new knowledge.
Investment NSW	NSW	No cap on maximum funding— projects are required to fund at least 50% of total project costs.	The NSW 'Future Industries Investment Program' will provide rebates for eligible expenses to businesses investing in NSW-based projects that boost the productivity of the New South Wales economy.
Advance QLD	QLD	Up to \$200,000	Funding is available to commercialise highly innovative and new products or services that are at minimum viable product stage or beyond.
Film Victoria Australia	VIC	\$80,000 towards a prototype, \$150,000 for a vertical slice, and up to \$300,000 for production work	This program supports the Victorian digital games development sector by assisting a broad range of companies and creators to produce and market a wide spectrum of digital games.
New Industries Fund	WA	Up to \$20,000 vouchers for eligible expenditure categories	The Innovation Vouchers Program provides vouchers to access professional skills, services or knowledge, to increase viability in Western Australia
Seed-Start Grant	SA	\$50,000 - \$500,000 with matched funding requirements dependent on amount	Assists early stage South Australian businesses with high-growth potential to commercialise products or services in national and international markets.

⁴⁵ AirTree, March 2023

3.4 Contrasting Founder Views

As part of the 2022 State of Australian Startup Funding Report, both Founders (n=225) and Investors (n=211) were surveyed across several matters. In our view, the below observations succinctly summarise the key challenges Founders face when raising domestic venture capital and provide robust direction for how a VC manager, like Dreamoro Ventures, can differentiate themselves to potential investees.

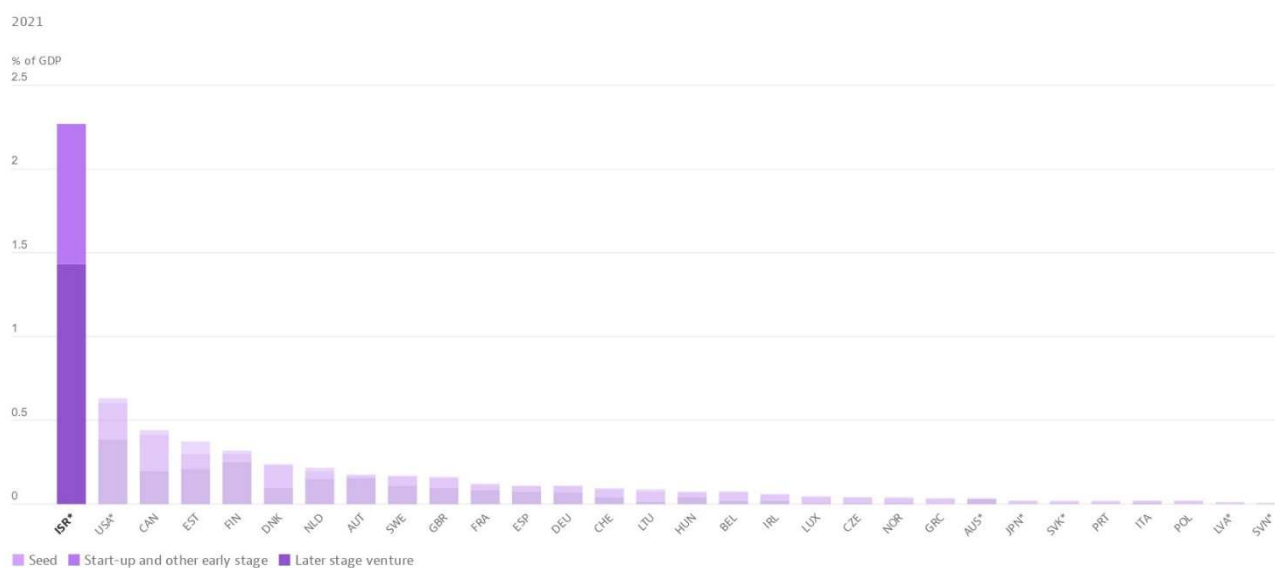
1. **59% of Founders “don’t believe there are many funding options available”⁴⁶**
2. **58% “don’t feel supported by the wider... community and startup ecosystem”⁴⁷**
3. **62% “don’t believe investors have lived up to the promises of ‘non-capital’ value add”⁴⁸**

Furthermore, our own research shows Founders have good reason to feel this way, as discussed below.

Insufficient funding options

Though Australia ranks 8th for start-up attractiveness in the Global Startup Ecosystem Index, by developed country standards our VC capital pool lags OECD peers– ranking a lowly 23rd in the OECD for early stage capital deployment as a share of GDP in 2021 (see Figure 11 below).⁴⁹

Figure 11: Early stage capital investment share of GDP - 2021⁵⁰



* a less recent time period

⁴⁶ The State of Australian Startup Funding 2022, *Folklore Ventures, Cut Through Ventures 2022*

⁴⁷ The State of Australian Startup Funding 2022, *Folklore Ventures, Cut Through Ventures 2022*

⁴⁸ The State of Australian Startup Funding 2022, *Folklore Ventures, Cut Through Ventures 2022*

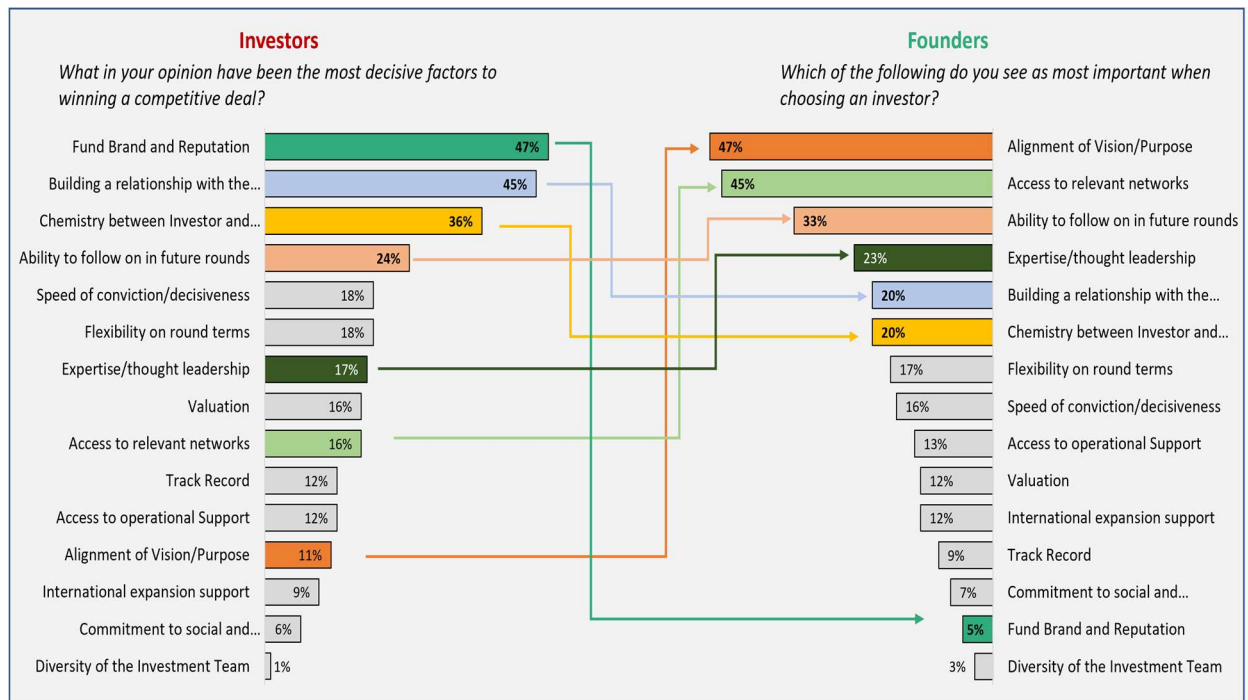
⁴⁹ OECD Going Digital Toolkit, *OECD Venture Capital Investments Database 2022*

⁵⁰ OECD Going Digital Toolkit, *OECD Venture Capital Investments Database 2022*

Lacking in non-capital value add:

Contemporary surveys demonstrate that Founders seek a partner who is aligned in core purpose, brings reliable funding and can create value through their networks and expertise. Remarkably, apart from follow-on funding, none of these are in the Top 5 for what investors believe drives deal-flow (see Figure 12 below).

Figure 12: Misalignment between VC Investors and Founders⁵¹



Given this mismatch, we believe it is wholly unsurprising that Founders feel the industry doesn't provide the value sought from venture capital investors.

3.5 Dreamoro Ventures opportunity

Australian Founders have and will continue to build, great companies. **What they appear to seek is a VC partner with demonstrable sector expertise aligned with core values and bringing the skills and networks required to build great companies.** We believe this desire offers Dreamoro Ventures and the Fund immense opportunity.

With the current local VC market generally favouring later stage companies, we believe that Dreamoro Ventures, focused on early stage companies, holds an outsized opportunity to consistently capture and realise the most compelling investment opportunities.

By delivering what Founders demonstrably want (enhanced with the addition of Dreamoro Studio), the Manager expects to face lessened competition for quality deals vis-à-vis other VC funds investing at later stages, or those VC funds with limited in-depth knowledge of healthtech and digital media & entertainment and their adjacent enabling technologies.

Although under-developed, the Australian ecosystem is a rapidly maturing market given its strong jurisdiction, ecosystem, public incentives, major market access, human capital intellectual property (IP) protection, risk appetite and recent 'unicorn' results, with more participants and exit routes available to investors than ever before. We believe there has never been a better time to invest in local start-ups at the early- stage, and Dreamoro Ventures intends to move quickly and decisively to secure investments in the most promising start-ups within these sectors.

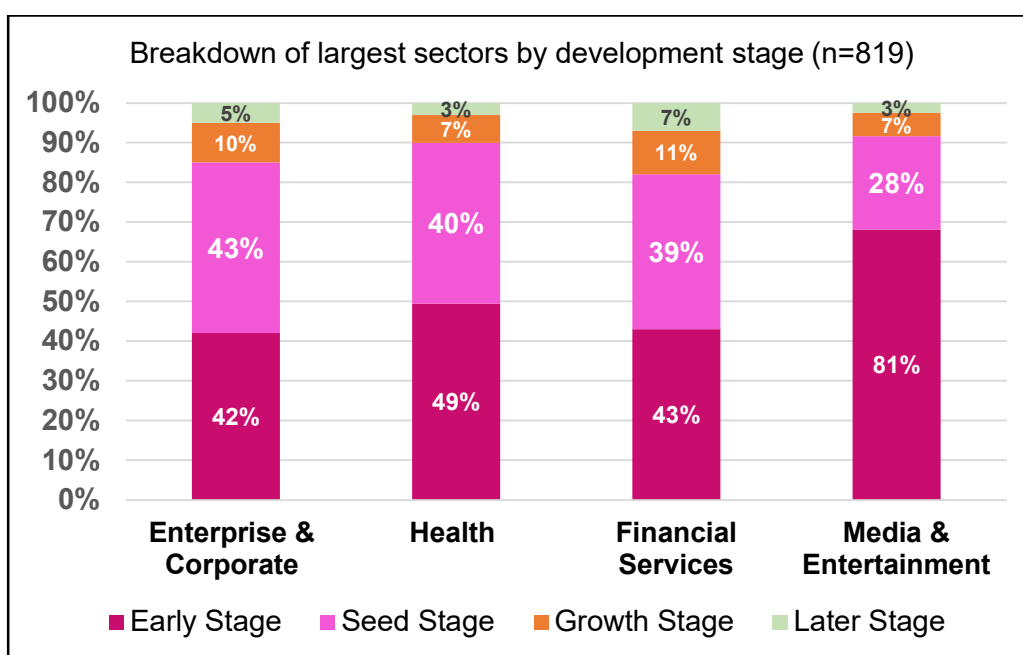
⁵¹ The State of Australian Startup Funding 2022, Folklore Ventures, Cut Through Ventures 2022

We are supported in this view by the Founders of potential portfolio companies with whom we already engage and who find our knowledge in these markets invaluable.

3.6 Our Target Sectors

The Manager, Investment Committee and Dreamoro Studio team hold deep experience in the healthtech and digital media & entertainment markets and is primarily, though not exclusively, focused on these sectors. We expect to allocate 50% of the Fund’s available capital to healthtech and 50% to digital media and/ or entertainment. As approximately 53% of all Australian start-ups / scale-ups operate in enterprise and corporate services, health, financial services and media & entertainment, we expect that a consistently strong cohort of investment opportunities will be created in the healthtech and media ecosystems (see Figure 13 below).

Figure 13: Australia’s start-up ecosystem is dominated by 4 sectors⁵²



By focusing on these sectors, Dreamoro Ventures can identify and capitalise on emerging investment opportunities that present in such arenas. Dreamoro is also well positioned by expertise across such sectors which, in our view, allows it to make informed investment decisions, start-up evaluation and valuable strategic guidance to portfolio companies. The ecosystem presents well established infrastructure, market demand, and customer bases.

The Fund will invest in the sectors of healthtech and digital media & entertainment. This focus is intended to ensure that the Fund benefits from the Manager’s deep experience in these sectors.

⁵² LaunchVic, Victorian Startup Ecosystem Mapping 2022

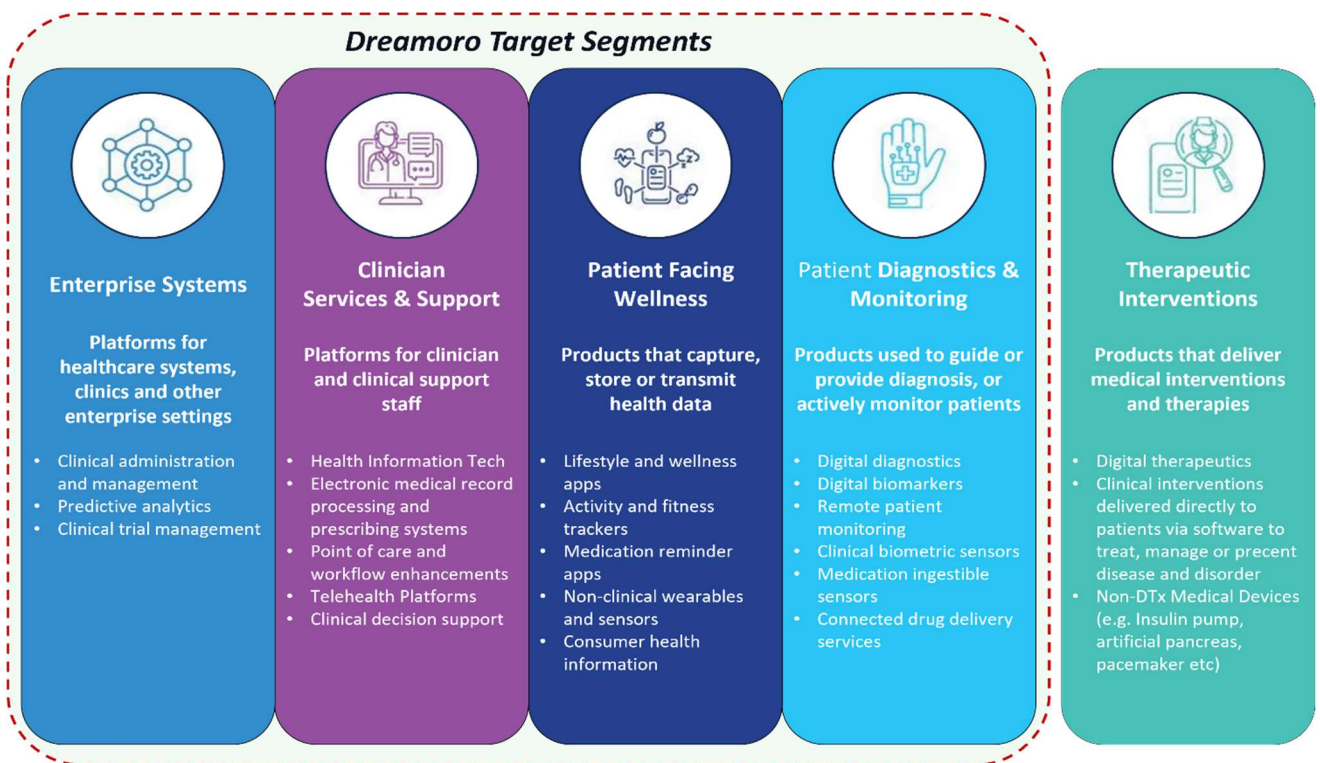
Healthtech

Healthtech includes categories such as mobile health, health information technology, wearable devices, fitness, wellness, telehealth & telemedicine, and personalised medicine.⁵³

Healthtech in Australia is projected to reach \$3.5 billion in 2023 and grow at almost 8% per annum to 2027⁵⁴. Despite this, according to Commonwealth Government backed *ANDHealth*, “Australia is proportionally well behind other nations investing in this space” and accounts for only a minor slice of the >USD \$500 billion global opportunity⁵⁵.

Given Australia’s world-class health network, burgeoning start-up ecosystem and a need to reduce Government healthcare costs for an ageing population, we believe the sector of healthtech offers compelling investment potential. Global capital markets support this view, investing USD \$57 billion into healthtech in 2021.⁵⁶

Figure 14: Healthtech sub-sector focus⁵⁷



Dreamoro Ventures sees the sub-sectors in Figure 14 as the most attractive segments due to the following:

- Growing demand:** As the global population ages in developed nations and health consciousness grows, we consider there to be an increasing demand for healthcare, fitness, and wellness products and services. The expected combined 2024 global market size of the commerce in this focus is at USD \$6.5 trillion (*Grand View Research*, 2022) in which presents significant growth opportunities for participants.⁵⁸

⁵³ Definition by *US Food and Drug Administration*

⁵⁴ HealthTech – Australia; *Statista Market Insights*

⁵⁵ *Awakening the Giant – The Rise of Australia’s evidence-based Digital Health Sector; ANDHealth (2021)*

⁵⁶ *Awakening the Giant – The Rise of Australia’s evidence-based Digital Health Sector; ANDHealth (2021)*

⁵⁷ Adapted from Value Assessment and Integration Guide, *Digital Therapeutics Alliance Dtx*.

⁵⁸ ‘Digital Health Market Size, Share & Trends Analysis Report By Technology (Healthcare Analytics, mHealth, Telehealthcare, HealthTech Systems), By Component (Software, Hardware, Services), By Region, And Segment Forecasts, 2023 – 2030’, *Grand View Research 1Q2023*

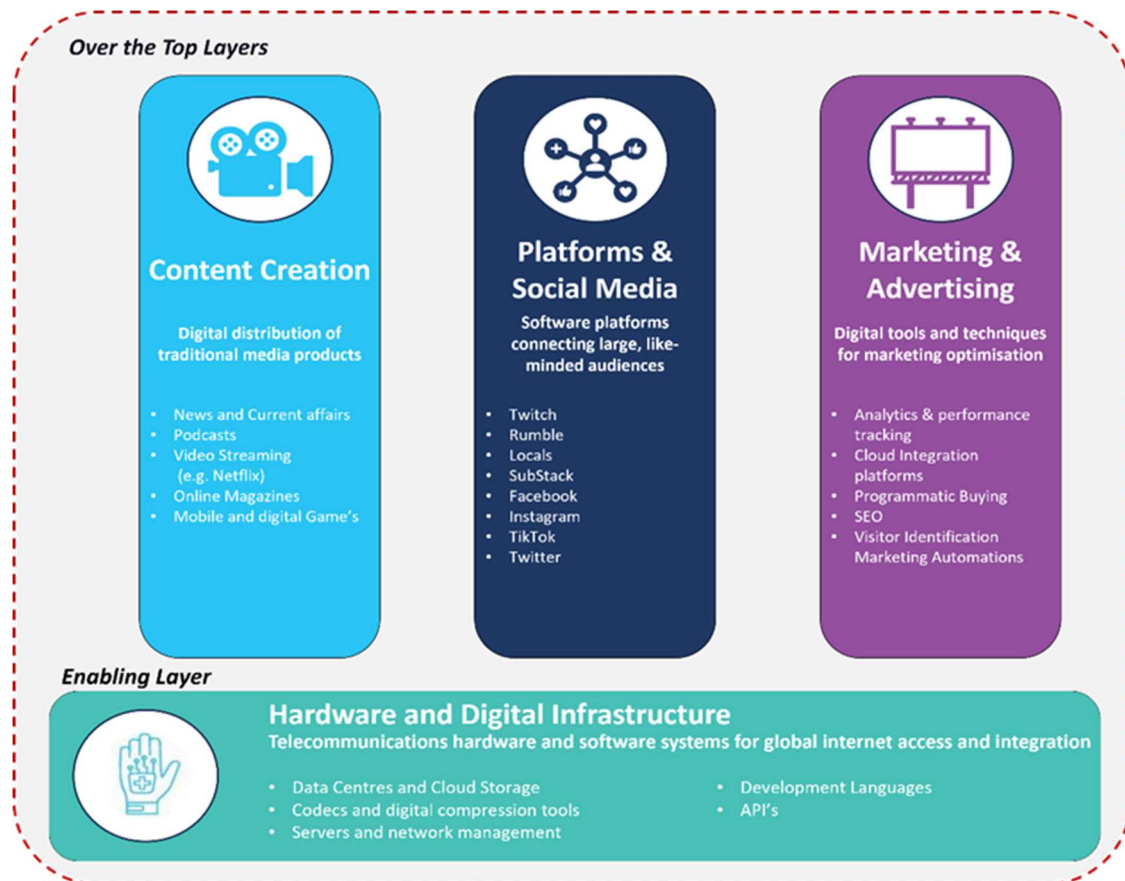
- **Technological innovation:** The healthcare sector is experiencing rapid technological innovation, with advancements in areas such as telemedicine, wearables, personalised medicine and incentive or revenue models. We believe that this creates opportunities for start-ups in these sectors to disrupt traditional models and develop innovative solutions.
- **Strong revenue potential:** Healthcare products and services often have high margins and a recurring revenue stream.
- **Regulatory support:** In many countries, the healthcare, fitness, and wellness sectors are supported by Government policies and regulations. The Commonwealth Government's *National HealthTech Strategy* and associated budget allocations highlights this increasing support, for innovative start-ups to be taken up within the healthcare industry.
- **Reduced regulatory burden:** In contrast to medical devices and treatments, these sub-sectors generally do not require US Food and Drug Administration (**FDA**), Therapeutic Goods Administration (**TGA**) or similar approval and thus the potential for faster returns on, and of capital is substantially higher than diagnostics, devices or treatments.
- **Speed to cash-neutrality:** This lack of regulatory approval generally allows a lower fixed-cost profile than other sectors of the healthcare industry and thus companies can achieve cash-flow neutrality faster than those requiring multi-phase clinical trials which can take up to 10 years.
- **Industry transformation:** The impact of COVID-19 has accelerated the adoption of healthtech technologies globally transforming the way that healthcare providers and their patients engaged to facilitate access to healthcare services during the pandemic.⁵⁹

⁵⁹ McKinsey & Co: [How COVID-19 has pushed companies over the technology tipping point – and transformed business forever](#)

Digital Media & Entertainment

Digital media & entertainment is one of the world's largest and most dynamic sectors, projected to be worth USD \$2.8 trillion for 2024 (PwC 2022)⁶⁰. Domestically, the advertising layer alone of digital media alone accounts for ~ \$94 billion (some 4% of GDP).⁶¹

Figure 15: Digital Media Industry Landscape



Digitisation fundamentally altered the business models of traditional media organisations (see Figure 15 above), and existing first-generation digital media business models are under similar stress. We see the following forces as significant changes to digital media's existing business models:

- **Technological disruption:** Driven by automation, artificial intelligence (AI) and Web3.0 every layer of the media value chain is changing, including content creation, data processing, media buying & targeting.
- **Regulatory interventions:** The EU's General Data Protection Regulation (GDPR) has materially changed the ability of large firms to leverage third-party datasets and track web activity for content targeting and personalisation. Given the essential role targeting plays in media business models, we are of the view that the global uptake of these regulatory principles is a major disruptive force to the digital media & entertainment landscape.
- **Narrow-casting:** Low barriers to entry and subscription-based business models, has led to the core capability in media business to move towards the monetisation of a specific group, rather than striving to reach a bigger audience overall. Substack, Locals, Patreon and Rumble are all major beneficiaries of this important trend.

⁶⁰ PwC's Global Entertainment & Media Outlook 2023–2027, Omdia, IMF

⁶¹ 'Ad'ing value: The impact of digital advertising on the Australian economy and society, IAB Australia in conjunction with PwC, 2022

- **Increasingly rapid uptake:** Low switching costs for consumers has seen new media businesses grow at previously unimagined rates. TikTok took 5.1 years to reach 1 billion users, compared to Facebook's 7.7 years, Youtube's 8 years or Instagram's 8.5 years.⁶²

Given the industry's global size, impact and the strength of user engagement Dreamoro Ventures believes there is a wealth of opportunity to identify and build high-quality companies and we are well positioned to do so.

Dreamoro is targeting the digital media & entertainment sector for the following reasons:

- **Large market size:** The digital media & entertainment industry is a multi-billion dollar industry with a projected value of USD \$2.8 trillion for 2024 (*PwC*, 2022) and we believe that this encompassing scaled reach offers a large and diverse market for start-ups in the sector to target.⁶³
- **Technological disruption:** The sector is experiencing rapid technological change and disruption driven in part by new developments in AI and Web3, with the rise of new digital platforms and distribution channels, and we believe that this disruption creates opportunities for start-ups in the sector to innovate and disrupt traditional models.
- **Strong revenue potential:** Digital media & entertainment companies can generate significant revenue through advertising, subscriptions, and licensing fees. We believe that this presents opportunities for start-ups in the sector to capture a share of the market and scale their business quickly.
- **Low barriers to entry:** The democratisation of media production and distribution has generally lowered the barriers to entry for new players in the industry. We believe that this creates opportunities for start-ups in the sector to enter the market with innovative ideas and products.
- **High user engagement:** Digital media & entertainment products are often highly engaging and have a loyal following. We believe that this creates opportunities for start-ups in this sector to build strong brands and communities.
- **Global impact:** The wider digital media & entertainment industry has a global impact, with the potential to influence culture, politics, and social issues. We believe that this creates opportunities for start-ups in this sector to create meaningful change and make a positive impact on society.

⁶² *Axios* 2021

⁶³ *PwC's Global Entertainment & Media Outlook 2023–2027, Omdia, IMF*

4 Investment Manager Overview

The Dreamoro Ventures team is a comprehensive combination of C-Suite executives (from both public and private markets), seasoned Founders and alternatives and early stage investors. The team has a demonstrable record of identifying and building technology companies across all stages, from MVP to IPO.

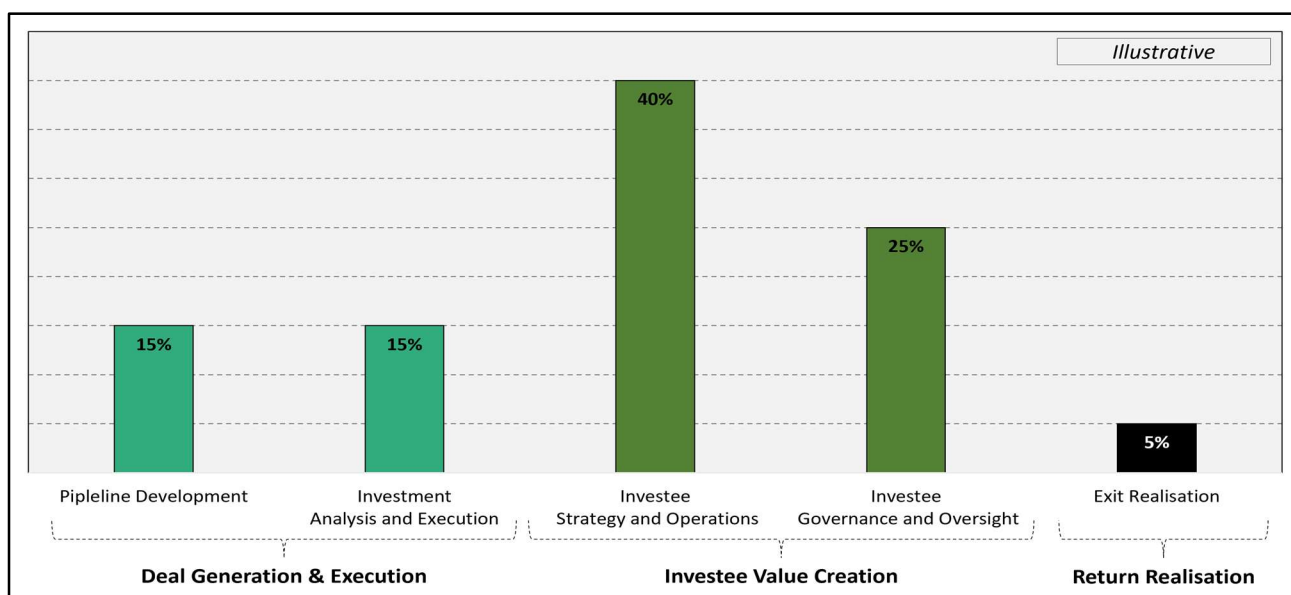
We believe that our ability to source high quality investment opportunities for the Fund is derived from:

- **Strong networks and relationships with Founders:** Members of the Dreamoro team have long standing personal relationships with sectors of the start-up community and innovation arms of leading research and tertiary education facilities, particularly in the healthtech and digital media markets spaces.
- **Ability to add value:** We believe we our team members have strong reputations for assisting Founders in developing comprehensive design, planning, operational and capital raising acumen through dedicated advice, mentorship, implementation, and growth workshops, which results in referrals to other Founders.
- **Strategic networks:** We believe our ability to provide access to valuable resources, knowledge, partnerships, and networking opportunities significantly enhances success prospects and provides us with a competitive advantage.

4.1 General Partners and Investment Team

Dreamoro's Managing Partner, Chair of the Investment Committee and General Partners⁶⁴ together have diverse responsibilities and are expected to balance their time across *Deal Generation* (investee sourcing, analysis of opportunities, offers), *Execution* (due diligence, negotiating terms, counsel instruction), *Investee Value Creation* (advice, business development, board oversight) and *Return Realisation* for Investors (constitution management, strategic external coordination, liquidity events, exit).

Figure 16: Indicative time allocation of typical general partners⁶⁵



⁶⁴ In this section, 'General Partner' is a reference to the title of the senior members of the Dreamoro Ventures team.

⁶⁵ Dreamoro Estimate, *informed by Harvard Business Review*, 2021

Klaus Bartosch, Founder & Managing Partner

Klaus is an experienced company leader and entrepreneur with over 35 years' experience in the technology industry including systems integration, SaaS and on premise software development, 'B2B', 'B2C', hardware and software solutions sales, managed services, hosting and management consulting.

Klaus was the CEO and Co-Founder of 1st Group Ltd, the company behind the MyHealth1st.com.au healthcare appointment booking and online marketplace platform which launched in 2012, and which listed on the ASX via an IPO in 2015 and which he led as CEO and Managing Director until his exit in October 2022. By the time of his departure, 1st Group had thousands of healthcare customers across Australia and New Zealand, including in the veterinarian market via the brand PetYeti.com.au supporting pet owners looking after their pets health needs. It had partnered with private hospitals, pharmaceuticals, buy-now-pay-later leaders and practice management software vendors and had facilitated over 18 million appointments online.

Klaus understands deeply the challenges that Founders face having extensive first-hand experience over his career whilst building 1st Group and other businesses, including more recently, managing the unprecedented demands of COVID-19.

He is an experienced mentor, entrepreneur, advisor and inspiring leader trusted by his team, past customers and shareholders.

Klaus is a Member of the Australian Institute of Company Directors, and a board member of the not-for-profit Melanoma Patients Australia. He holds a Civil and Structural Engineering Associate Diploma from the University of Southern Queensland.

Phillip Inberg, General Partner

Phillip brings to Dreamoro a wealth of global business transformation and operational experience. His experience includes corporate finance performance for small/mid-market participants (public and private) with experience advising boards, executive and portfolio managers on deal origination, offer structure, unit modelling, sector and valuation analysis, due diligence, data room and roadshows.

Phillip's diverse experience includes Founder and first employee roles across fintech (PrimaryMarkets), proptech (CohenHandler) and edtech (StudentCareers) – all of which scaled professional services and delivered value to new customer frontiers.

Phillip developed his investment expertise at Centric Wealth & Capital and obtained corporate advisory experience at empirical pi. In addition, he has provided strategic CFO duties at TillerStack Field Services (ASX subsidiary, TSXV sponsored).

Phillip's formal education was completed at the Australian Institute of Company Directors (MAICD), Australian Graduate School of Management UNSW (MBA), University of Technology, Sydney (B Bus, JD) and University of North Carolina, Chapel Hill (B Bus Exchange).

He has also successfully participated in wider, early stage principal opportunities via leading seed and accelerator programs. Phillip also has contributed to not-for-profit committees that have promoted mentorship, capital appeals and corporate foundation.

Kane Daniel Ricca, Venture Partner

Kane Daniel Ricca FRSA has over 15 years of experience in entrepreneurship, investment strategy, marketing and brand. He is a Fellow of the Royal Society of Arts, Chambers and Commerce. An ex-agency owner, Kane founded and exited his marketing agency after 10 years of sustained growth during a monumental shift in the digital landscape, servicing a client base that included Harrods, Qatar Airways, FIFA, Mercedes Benz, Formula 1, AVIVA and Her Majesty's Palace and Fortress.

Kane has founded, acquired and sold businesses across many Direct-to-Consumer segments, a specialism Kane commands. With consumer behaviour and analysis expertise, he became a Managing Partner at an early-stage venture studio and innovation consultancy, K&K Ventures. Launching,

branding and investing in hospitality and leisure, consumer product and technology concepts designed for a greater global experience.

Kane was a Principal at Rainmaking (Venture Capital & Studio), a corporate venture studio that has created \$5b+ worth of equity value across 1389 ventures. He was engaged to work with Coca-Cola Hellenic to explore how best to leverage consumer data to power market insight.

He is currently a Mentor at the University of Melbourne’s Melbourne Accelerator Program (MAP) and continues to advise a series of businesses.

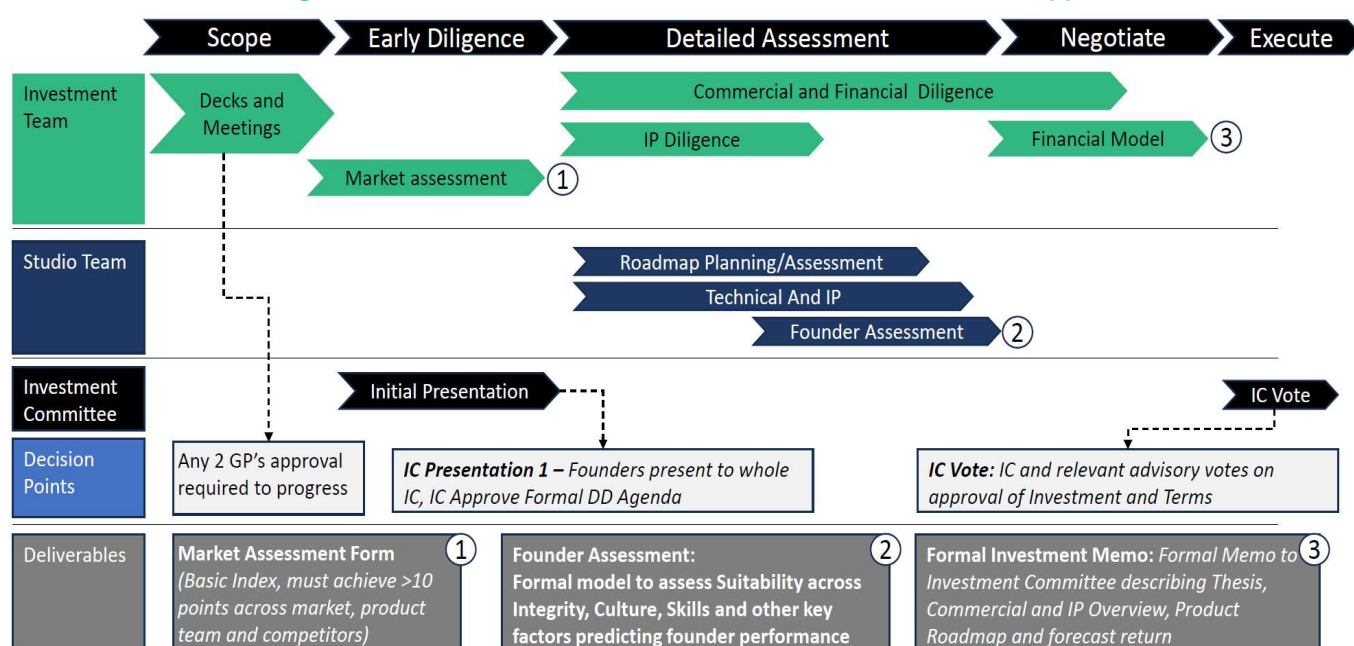
An active early-stage investor, Kane’s holdings include ‘WalkSafe’ - using geo-mapping technology to make the world a safer place, ‘DryGo’ - an agriculture startup using plant science to produce the most efficient sources of protein on the planet, ‘LandEx’ - a land investment platform presenting farmland as an alternative asset class to retail investors, ‘houseof’ - a London-based energy-efficient LED lighting company, and others.

4.2 Investment committee

The investment committee is the key decision-making body for the Manager and will play a primary role in vetting investments for the Fund that it believes can make provide a return. The Manager will require a majority vote of supportive investment committee members to proceed with a Fund investment. See Figure 17 for the Investment Committee’s investee assessment and approval process.

Dreamoro Ventures will apply a multi-stage investment filter with oversight and execution directed by the nominated investment committee. Further detail on this filtering process is set out in Section 6.66.8 ‘Investment criteria’.

Figure 17: Investment Committee’s Investee Assessment & Approval



The investment committee members, on inception, will consist of Ross McCreath (bio below), Klaus Bartosch, Phillip Inberg and Kane Ricca (bios above). Others, including our advisors, may be asked from time to time to observe or for specific input in the case of managing conflicts or additional expertise. These observers and advisors will not have a formal vote.

Ross McCreath, Investment Committee Chair & CFO

FCPA & GAICD Qualified senior executive with 40 years' experience across a broad range of industries including media, SaaS and consulting.

Ross worked in roles as CFO and Company Secretary across a range of media and technology businesses of all sizes, from IPOs and large private companies to start-ups and early stage scaling businesses, also leading as CFO listing 1st Group on the ASX.

These businesses include the IPO of Australia's first Pay TV operator Australis Media (Galaxy Pay TV), Southern Star Group (TV Production and Distribution), WIN Corporation (TV and Radio Broadcaster and investor), Quickflix (media streaming), co-founder and CFO of media-tech start-up Oovvuu and International Software Licensing (a SaaS sales solution developer and marketer), as well as a Board Advisor to BlueShyft, an in-store payment gateway for digital services.

Ross has a Bachelor of Economics (Accounting) from Macquarie University, is a Fellow of the Australian Society of CPA's and is a Graduate of the Australian Institute of Company Directors.

4.3 Founders' success as Venture Capitalists

Experience and success as a Founder positively predict performance as a venture capitalist. In a 2022 National Bureau of Economic Research paper, [Transferrable skills Founders as Venture Capitalists](#); Paul Gompers (Harvard University) and Vladimir Mukharlyamov (M.I.T) analysed over 13,000 VC investors and more than 73,000 investments to assess "*whether or not the experience as a founder of a venture-capital backed startup influences the performance of founders who become VC's*". Following this analysis Gompers & Mukharlyamov then assess the drivers of observed difference in success rate, including an instrumental variables analysis of whether outperformance stemmed from better quality deal-flow or more value-add. For the purpose of their analysis, "success" was defined as if a company "goes public via an IPO or is acquired for a value higher than the total amount of capital invested in the firm". The paper makes several key findings which we firmly believe are pertinent to Dreamoro and our offer to both entrepreneurs and investors. These include:

1. Founders who themselves achieved a successful exit see a 6.5% higher success rate for investments than their professional VC peers, and this pattern is robust to differing metrics of success (such as IPO only)
2. "On several measures, successful founder-VC's seem to have higher quality deal-flow compared to professional VC's" – we see this as especially significant given 90%⁶⁶ of deals come from referral networks.
3. Investments executed by Founder-VC's in their same industry are "significantly more likely to be successful" than those outside their industry, indicating "some industry specific factor aids founder-VC backed startups"
4. The evidence presented by their study "is consistent with successful founder-VC's adding more value post-deal than other top-performing VC's"

The Dreamoro Investment Team have all been Founders, with 2 out of 3 of its General Partners achieving a successful exit by the above definition.

⁶⁶ 'How do Venture Capitalists Make Decisions?' *Journal of Financial Economics* (2020) Gompers et al.

5 Dreamoro Studio and Advisory Board

5.1 Dreamoro Group is different:

Dreamoro Studio is an associated venture building studio which is a part of the Dreamoro Group and will be working in unison with Dreamoro Ventures (the Manager) to enhance our ability to identify and build high-value technology enterprises.

Dreamoro Studio comprises a proven team of technical, commercial and leadership experts and exists to both augment the Manager's decision making and, at the investee's absolute discretion, provide a single source of non-capital value-adding services. Key personnel are based in Australia and bring deep experience in both on and offshore technology development and procurement, commercialisation and executive leadership and recruitment.

The Dreamoro Studio leadership team are material shareholders in the Dreamoro Group, which the Manager is also a part of. This team will, first and foremost, assist Founders in building defensible high-growth technology enterprises and create value for the Founder's investors, such as the Fund.

Dreamoro Studio may also be engaged as a service provider to the Fund's investees (not mandatory and at all times at Founder discretion) and will be remunerated for its services via fees or equity paid by the investee company. All engagements will be on arm's length terms and at market rates. We believe that the added capabilities of Dreamoro Studio represents a significant point of difference for how the Manager works with both investment candidates and portfolio companies compared to incumbent industry models, positioning the Manager to attract more deals and realise more exits than our peers.

Dreamoro Studio's core capabilities span:

- Market research
- 'Go-to-market' strategy
- Development
- Software engineering
- Data science
- 'UX/UI' design
- AI and machine Learning
- Security & privacy
- Product management
- Executive recruitment
- Sales and marketing
- Operations
- Technical support

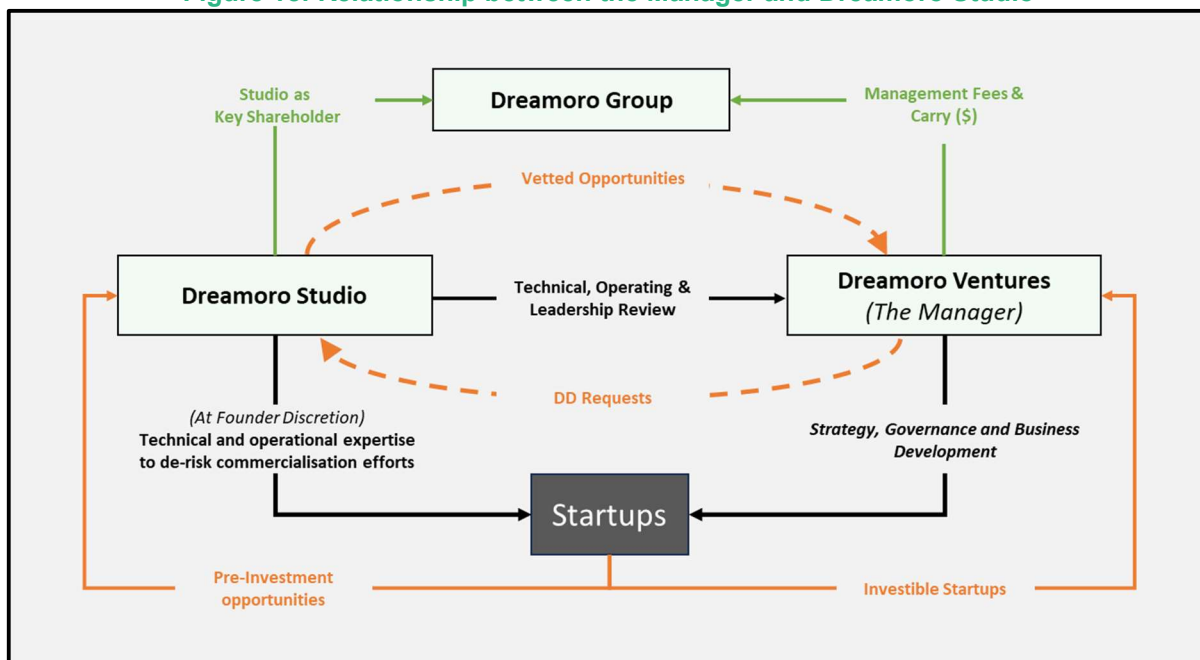
Collectively, these skills augment the Manager through the following:

- Expanded reach and network to identify and select promising investee opportunities
- Earlier engagement with start-ups not sufficiently developed for the Fund's investment strategy
- Dedicated specialists to enhance the Manager's determination of potential investees' market opportunity, commercialisation strategy, technical capability (including dependability, scalability, security, and compliance), management capability and organisational culture

For the Fund's investees, it provides:

- On-demand and cost-effective expert technical and commercialisation support, allowing Founders to efficiently refine and optimise their MVP development, go-to-market strategy, hiring plans, and 'tech stack'
- Aligned incentives that seek to create value in the investee, rather than extract consulting revenues
- Reduced execution risk, by utilising an existing team having already worked together on multiple projects, we expect the team to deliver technology outputs more efficiently due to their combined experience

Figure 18: Relationship between the Manager and Dreamoro Studio



Dreamoro Studio Advantages:

Expanded pipeline and improved investment decisions

- Access, engagement and guidance for startups not yet investment-ready
- Technical expertise for analysis of investee UI/UX design, engineering, A.I./ML applications, data security & compliance
- Development experience to estimate cost, complexity, timeline and return to additional software investments
- Leadership expertise to assess Founder and Key Person suitability and values alignment

↓

Investees build the right things, through the right people, at the right time

- Alignment between investee and fund on go-to-market and MVP pathways
- Studio offer discretionary access to engineering, maintenance, recruitment and customer support.
- Manager remains focussed on investee strategy, governance and business development
- Reduced recruitment, procurement and execution risks for investees using a proven multidisciplinary team
- Parties incentivised to build the start-ups valuation, rather than their own P&L

↓

De-risking venturing for founders and investors

- Manager embeds knowledge of tech-stack, required dev path and execution risks into both investment thesis and valuation
- Alignment on investee tech roadmap saves time and reduces risks of unproductive
- Lower costs & higher velocity of investee software updates increase likelihood of achieving true product-market-fit
- Founder-first mentality in word-of-mouth industry improves deal-flow

5.2 Dreamoro Advisory Board

In addition to the Manager’s Investment Team and Investment Committee, Dreamoro Ventures will form and utilise an Advisory Board comprising lead Dreamoro Studio personnel and other expert advisors from time to time, to provide guidance to the Manager from time to time on technical matters.

The Advisory Board will strengthen Dreamoro Ventures’ technical expertise to support commercial modelling, technical architecture, leadership, recruitment, prioritising implementations, and strategic or tactical execution.

The Advisory Board will also play a key role in the Fund’s technical due diligence process in addition to Dreamoro Studio.

The Advisory Board members as at the date of this Memorandum are:

Dr Zivit Inbar, Advisor

Zivit contributes her expertise by assisting the Dreamoro Group with founder leadership assessment and training, aptitude and character due diligence and assisting Founder and their management in helping them build high-performing teams.

Zivit is a People, Culture, Leadership, Ethics, and Performance expert and the founder and CEO of Differentthinking.com.au. An Honorary Enterprise Fellow at Melbourne University, Co-Chair of Harvard Alumni Entrepreneurs in Australia and a member of Standards Australia AI trustworthiness (ethics, bias, risk) and governance committees. Zivit holds an Executive Certificate in Public Leadership from Harvard Kennedy School and is a Graduate of the Australian Institute of Company Directors (GAICD), a Fellow Certified member of the Australian Human Resources Institute (FAHRI), and a former Adj Professor in the MBA Program at Deakin University.

Zivit is also a non-executive director, a senior executive, and a chairwoman with over 20 years of leadership experience at board and executive levels. She is a Non-Executive Director at Rural Northwest Health, Chair of the People, Culture & Safety committee and a member of the Governance Committee. She has extensive experience working with healthtech and medtech companies, supporting them in people, culture, and leadership strategies for growth.

Zivit is the author of “The Ethical Kaleidoscope: Values, Ethics, and Corporate Governance” (with Doug Long), 2017, Routledge Publishing, UK.

Zivit’s expertise spans:

- HR strategies and best practises
- People due diligence and executive selection
- Cross border governance and compliance
- Innovation cultures
- Soft-skill development
- Decision making and bias management
- Organisational culture and ethics
- Organisational development and growth
- Teams dynamics and high performance team development
- Leadership development
- Change and transformation management

Jack Roach, Advisor

Jack brings to the Dreamoro Group a decade of experience in healthcare, firstly as a clinician and further in strategy development and project delivery.

Jack is a qualified Social Worker, with a Masters Degree in Health Management and Graduate Certificate in Applied Coaching. He has been invited to sit on strategic advisory committees in the public health tech space and has presented at several forums on the success of technology use within healthcare delivery.

Jack is currently a program manager with NSW Health leading the implementation of Remote Patient Monitoring. Growing from managing patients during the COVID pandemic in their homes, the program now supports a individuals including those living with heart failure as well as pregnant women and newborns. In addition, Jack has managed large change projects in the delivery of IVF services, outpatient services and community health services.

Jack is also involved in providing advice and strategy development in the not for profit sector, currently working with The Pink Elephants Support Network, providing support and advocacy for mothers who experience a miscarriage.

Jack has a unique skill built from strong values of collaboration, authenticity, and genuinely caring about the success of others.

Jack's expertise spans:

- Public Health systems and governance
- Public/Private sector collaboration
- Leadership coaching and development
- Project and change management
- Clinical care delivery
- Healthcare networking
- Stakeholder engagement

Jane Burns, Advisor

Jane is a C-Suite Executive and an international expert in mental health and wellbeing, suicide prevention, digital transformation, and integrated models of care. She led the start-up of beyondblue: the national depression initiative, the expansion of reachout.com into the US and was the founder and CEO of the Young and Well Cooperative Research Centre raising over \$100 million in capital. She is the Founder of ignoble.

Jane is an international keynote speaker, including as a US Harkness Fellow in HealthCare Policy, Canadian Best Brains Exchange and Young President Organisation mental health asset. She has authored over 100 papers and policy reports, including "VicHealth Why Let them Fall", the "Movember Global Report on Men's Health" and the "National Mental Health Commission Report on New and Emerging Technologies".

She has won numerous awards, notables including the Winner, Social Enterprise, 2015 Australian Financial Review, Westpac Group 100 Women of Influence and was Victorian Finalist in 2012 and 2017 at the Telstra Business Women's Awards.

Jane a Non-Executive Director with the Applied Positive Psychology Learning Institute and Chair of Emotions.

Christine Pope, Advisor

Christine also has over twenty years of experience in Risk Management and Venture capital. She was an Associate Director at Macquarie Bank in Risk Management and then as Head of Operations and Risk at AMP Private Capital. In that role, she was a member of the Investment Committee and was also involved in establishing risk management processes for over \$5 billion in funds under management in private equity.

Christine is also an experienced Naturopath and Nutritionist. An experienced trainer and presenter and was Head of Nutritional Medicine and Homeopathy at Nature Care College at St Leonards from 2012-2015. More recently, she founded "**Ageing Outrageously**", a start-up dedicated to utilising her years of clinical and research expertise and simplifying key questions around aging and healthy living via a self-training 'SaaS' program.

She is a director and treasurer of The Australian Traditional Medicine Society (ATMS), the largest multi-modality natural medicine association in Australia. She is also a director and treasurer of the Council of Small Business Organisations of Australia (COSBOA), a peak body representing over 1.25m SMEs in Australia and advocating to the Federal Government on their behalf.

Qualifications:

B Commerce (Accounting, Finance and Systems) UNSW

B Health Sciences (Complementary Medicine) CSU

Advanced Diploma of Naturopathy

Advanced Diploma of Nutritional Medicine

Advanced Diploma of Homeopathy

Cert IV Training and Assessment

In 2016 Christine undertook training with Dr Dale Bredesen in his protocol for Reversing Alzheimers, a detailed protocol involving up to 36 points of intervention, including diet, lifestyle, hormonal balance, exercise and detoxification. Subsequently, her focus in clinic has been working on healthy ageing and reducing the impact of chronic disease.

5.3 Dreamoro Studio leadership team

Klaus Bartosch, CEO (Chief Executive Officer) & Founder

In addition to his background details at Section 4.1 'General Partners' above, Klaus has 35 years IT consulting, enterprise systems integration, managed services and software development experience across a broad range of markets including GIS (geographic information systems), finance, airline, e-commerce, local, state and federal government, and through the then ASX-listed Hostworks which had unique managed application and hosting experience supporting many of Australia's largest online businesses such as SEEK, Carsales, Wotif, GraysOnline, Realestate.com.au, NineMSN, Ten, Seven, Ticketek and others.

Mirné Le Roux, COO (Chief Operating Officer)

Mirné is responsible for coordinating the smooth operations of Dreamoro Studio working with portfolio companies and is directly responsible for the "Customer Success" and "Support" teams.

Mirné is a qualified medical professional with over 20+ years commercial experience within healthcare, SaaS solutions, medical devices, manufacturing, transport & warehousing, health services and retail operations, in roles such as Chief Customer Officer, Director of Operations and Head of Customer Service.

With experience, locally and abroad, in various senior roles across start-up, large corporate organisations and multinationals such as Woolworths, Hoya, Medtronic and ASX listed 1st Group, and having owned and operated her own business, Mirné brings a strong blend of entrepreneurial, operational and customer centric leadership to the Fund.

She believes a passion for people and innovation is key to successfully creating a sustained and differentiated approach from competitors, adding value for investors and executing the Fund's investment strategy.

Pradeep Nakkala, CDO (Chief Delivery Officer)

Pradeep is the Chief Delivery Officer at Dreamoro Studio. As the CDO, Pradeep defines the Dreamoro product and technology delivery roadmap and oversees Dreamoro Studio's portfolio of technology delivery solutions. Prior to co-founding Dreamoro Studio, Pradeep worked in various software services companies including ASX-listed 1st Group, and multinational organisations across India and Australia as Head of Product Delivery and Technology, Agile Delivery Manager, Scrum Master, Technical Project Lead and QA Lead.

Pradeep has 15 years of experience in building and delivering solutions to a range of enterprise services organisations where he has successfully managed and led projects through several transformations using Agile project management, frameworks and software development process.

Pradeep is a strategic leader with a diverse skill set across digital technologies and spearheaded large development projects across APAC, EMEA and the Americas in the following domains: commercial real estate and finance, healthcare, CRM, e-commerce, retail, geospatial and telecommunications.

Pradeep has expertise in leading diverse, global teams with a wide range of nationalities, cultures, and backgrounds. He is passionate about agile delivery, data analytics, blockchain and automation and know-how to find, develop, and motivate teams—even when they are spread around the world.

Jay Mantrala, CTO (Chief Technical Officer) /Architect

Jayadheer Mantrala (Jay), Solution Architect and CTO of Dreamoro Studio is an expert in exploring emerging technologies, and assessing their impact on businesses. He is highly skilled in providing cost-effective and tailor-made solutions for enterprises utilising public cloud platforms such as AWS and Azure.

He is a certified Solution Architect in AWS, Azure Developer and Scrum Product Owner.

Jay gained a wealth of experience in event-driven, distributed multi-tier software applications while working at 1st Group, Skidata, and Stratton Finance for more than 10 years. He was one of the core members of the team which introduced Ticketless parking in Australia and New Zealand. He played a key role in contributing to many projects involving high-traffic web applications and complex integrations with CROWN and Westfield shopping centres to name a few.

Jay graduated in Electrical and Electronics Engineering from JNT University. Throughout his career as a software engineer, he worked in various domains for the past 12 years including auto, finance, loyalty platform, and health care domains across the software design life cycle.

6 Investment strategy

This section of the Information Memorandum outlines the proposed investment strategy of the Fund.

6.1 Target investee characteristics

Dreamoro Ventures seeks investees that demonstrate some or all of the following characteristics:

- Capital efficient and technology-driven business models;
- Attractive algorithmic or scalable unit economics;
- Potential for significant free-cash flows;
- An existing or in-development MVP with a cogent path to 'Product-Market Fit';
- Optimise by staff on demand, leverage assets, promote autonomy and encourage experimentation
- Embrace a community by social purpose or ESG alignment by the *United Nation's 17 Sustainable Development Goals*; and
- Founders with integrity, emotional intelligence, and leadership potential.

In the experience of the Manager, organisations with these characteristics are best positioned to create meaningful value for investors and stakeholders and to perform better on metrics such as revenue growth, profitability, return on assets and shareholder return.

Academics and entrepreneurs, Salim Ismail and Peter Diamandis of *OpenExO Inc* conducted a trailing analysis report over a seven-year period, assessing how the top 10 most 'Exponential Organisations' (**ExOs**) of the Fortune 100 companies outperformed the bottom 10 least ExOs (**Non-ExO**).⁶⁷

Notably, Salim Ismail and Peter Diamandis found that:

- ExOs enjoyed a 13.04% compounded annual growth rate (**CAGR**) compared to a meagre 0.14% CAGR for their Non-ExO counterparts.
- Top ExOs enjoyed profit-to-sales ratios of 18.68% -- making them 6.8x more profitable than their Non-ExO counterparts.
- Profitability of the best ExOs stayed firm at 18% during the pandemic year -- even as their Non-ExO) peers suffered a catastrophic -2.3%.
- The best ExOs had a median asset ratio (revenues/assets) of 88.2. That was almost 11.7x better performance leveraging assets compared to Non-ExO companies.
- The market cap for the top exponential firms grew at a median 13.6% CAGR between April 2014 and December 2021. By comparison, traditional companies during this period went backward, managing only a -2.4% CAGR in their valuations.
- Together during that eight-year interval, top ExOs achieved a combined 5.3x in their market valuations—a figure that wildly exceeded even the otherwise impressive S&P 500 Index of 2.5x.

The resources and capabilities of the Manager and our aligned Dreamoro Studio, coupled with our rigorous investment process, lead us to believe we are well positioned able to identify and invest in these types of companies at attractive valuations.

6.2 Fund objectives, target return and lifecycle:

The investment objective of the Fund is to deliver returns to Investors equivalent to an IRR of approximately 25% per annum (net of fees and expenses, prior to tax) over a 7 year period commencing on the First Closing Date⁶⁸. This is only a target and may not be achieved.

To achieve such an ambitious IRR, Dreamoro Ventures seeks exposure to innovation that satisfies the Manager's Investment Criteria (see Section 6.6 'Investment Criteria' for further detail), positioning

⁶⁷ 'Fortune 100 ExO Report', *OpenExo* September, 2023

⁶⁸ This period is based on Dreamoro's expectation of the typical and average hold period, which may not be the actual hold period of all investees of the Fund.

investees to continually seek new and disruptive ways of creating value for customers. This model improves the agility of firms to enter new markets and industries, delivering highly innovative products and services that set them apart from their competitors.

By the Manager applying its investment criteria (see Section 6.6 ‘Investment criteria’) and the investment selection process (see Section 6.8 ‘Investment selection’), early volatility of the investee is assessed for risk/reward with risk subsequently re-rated by follow-on investments (participating (or not) in pre-emptive rights).

The Manager also considers the long-term goals of the investee, and their capacity to inspire both employees and customers to work towards a common vision. This sense of purpose is a key motivator for employees and stakeholders and we believe that this helps to create a highly engaged and dedicated workforce.

6.3 Expected timeline of the Fund

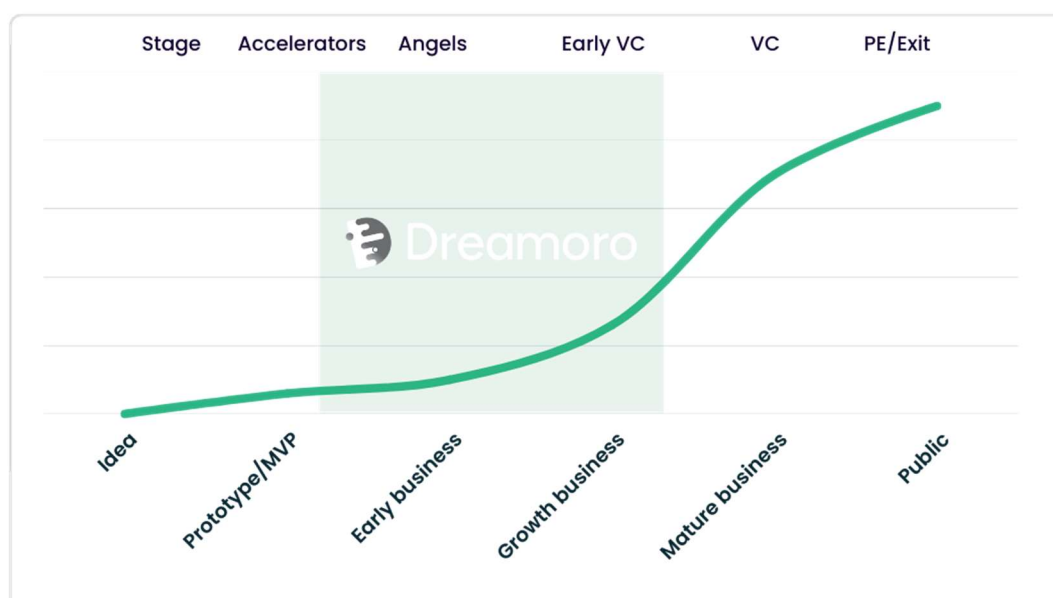
Investment Period	4 years + 18 month extension at the discretion of the Manager, subject to the Constituent Documents
Investee hold period⁶⁹	3 to 8 years from initial investment
Fund Term	10 years + 3 years extension at the discretion of the Manager, subject to the Constituent Documents

6.4 Investment stage

The Fund, via the Partnership, will make investments that are expected to be ESVCLP Eligible Investments, being those investments that are permitted under the ESVCLP Rules (see Section 7 ‘Structure of the Fund’ for further detail) and comply with the investment plan for the Fund (**Investment Plan**) as approved by Industry Innovation and Science Australia (**IISA**) upon ESVCLP registration (and which also forms part of the Limited Partnership Deed).

The Fund, via the Trust, will make investments which are not expected to be ESVCLP Eligible Investments.

Figure 19: Dreamoro’s start-up or early stage investment focus⁷⁰



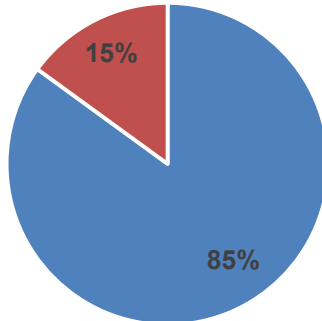
⁶⁹ The hold period described is based on Dreamoro’s reasonable expectation of a typical hold period however the actual hold period may be longer or shorter.

⁷⁰ LaunchVic, Pitchbook 2022

6.5 Portfolio construction

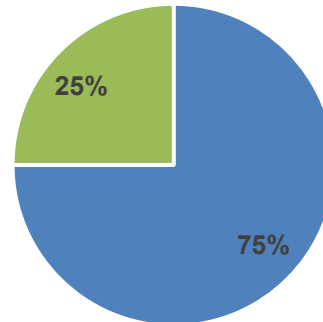
Target portfolio weights⁷¹

Investment Structure



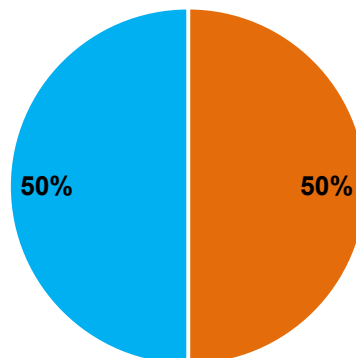
■ Primary ■ Secondary

Region



■ Australian Domestic ■ International

Sector



■ Healthtech ■ Digital Media & Entertainment

Maximising ownership and alpha

The Fund aims to be the first institutional and/or lead investor in suitable early stage companies. Based on a target maximum Fund size at final close of \$80 million in Fund Capital Commitments, the Fund will seek approximately 7-10 primary investments in new investees each year, creating a target portfolio of 25-35 investee companies over a total 4 year Investment Period (noting the Manager is able to extend the Investment Period for up to 18 months).

Additionally, the Fund will reserve 40-50% of Fund Capital Commitment for follow-on investments into the Fund's strongest investees.

From the Final Close Date, we intend for no individual investee to account for more than 10% of Fund Capital Commitment (including follow-on investments). In accordance with the Constituent Documents, the Fund will have a term of 10 years with the option for the Manager to extend the term for up to 3 further years.

⁷¹ Targets only. The actual portfolio construction of the Fund may differ from the targets depicted and described.

The Funds stapled structure ensures that wherever possible, ESVCLP tax benefits are applied to both initial and follow-on investments (where the investment is made via the Partnership). Where a follow-on investment cannot be made by the Partnership due to the ESVCLP Rules, it can be made, where appropriate, from the Trust.

Initial investments in investees will be made in the first 4 years following the final close of the Partnership and are expected to, but may not always, be between \$150,000 and \$1.5 million, with capacity for follow-on investments in each investee where, in the case of the Partnership, the follow-ons are also considered ESVCLP eligible investments under the ESVCLP Rules. Generally, target total investment for each investee company will be from \$1 million to \$3 million including initial investment and follow-on rounds.

Upon the initial share subscription, the Fund will seek from the investee pre-emptive and pro-rata rights for follow-on investments, as well as Board representation, additional subscription discounts and any other rights and privileges appropriate in the circumstances to effect the Manager's investment thesis and provide maximum returns for Investors.

The Manager will aim to deploy all funds earmarked for new investments within the first 4 years of the Fund and follow on investments within the first 6 years of the Fund (subject to extensions in the Constituent Documents). After that, the Fund will be focussed on managing and realising existing investments.

The Fund will not seek to own a specific ownership percentage in any portfolio company, instead making decisions on a case-by-case basis with consideration of the overall Fund return dynamics, existing exposure and the stage of the investment. We have a strong preference to either lead or co-invest in early stage funding rounds.

The Manager may also act as a lead manager to co-investment opportunities with the Fund that may bridge a funding gap for, or increase skills and resources to, an investee.

Figure 20: Worked example of potential Fund investee rounds & performance⁷²

Investee	Seed	Start-Up	Early Expansion	Series A	Series B
Pre-Money Valuation	\$6,000,000	\$15,000,000	\$40,000,000	\$80,000,000	\$125,000,000
Round Size	\$2,000,000	\$3,000,000	\$5,000,000	\$12,500,000	\$25,000,000
Employee Option Pool	0%	10%	10%	10%	10%
via Fund (example)					
Fund Subscription	\$1,500,000	\$750,000	\$750,000	\$0	\$0
Fund Ownership	19%	19%	19%	16%	13%
Value of Fund Stake	\$1,500,000	\$3,487,500	\$8,425,000	\$14,977,778	\$20,240,240

Co-Investment SPVs for Investors

Dreamoro also expects to launch managed co-investment vehicles (**SPVs**) which are separate to the Fund for further investment in the Fund's best portfolio performers. This is an opt-in opportunity for Investors to increase their exposure and 'double down' on specific follow-on investment which is to be alongside later stage VCs and strategic investors.

The Manager may also act as a lead manager to co-investment opportunities with the Fund that may bridge a funding gap for, or increase skills and resources to, an investee.

⁷² Provided as an example only and not based on actual figures, investees or rounds.

Preferred securities & structures

The Fund will have the flexibility to invest across the equity and hybrid debt capital structure with a focus on higher risk adjusted returns for the early stage exposure. The Fund anticipates investing through a mix of:

- Common equity
- Preferred equity
- SAFE notes
- Convertible notes
- Secondaries equity (*See Below*)

Secondary equity

Current market conditions across the domestic VC landscape are increasing the prevalence of secondary opportunities (offers of shares directly from Founder, key employees or existing third-party investors made in lieu of new issuances). In our view, these are often rationalised as an attempt to avoid 'down-round' valuations or enacting existing anti-dilution provisions amidst liquidity pressures for early stage entities, which can provide investors a corresponding discount to previous valuations.

Dreamoro will opportunistically participate in these secondaries where appropriate, investing via the Partnership where the investment is an ESVCLP Eligible Investment and via the Trust otherwise. Secondary investments provide an opportunity to invest in companies with demonstrated traction or market validation and allow the Fund to develop strategic partnerships with other firms or companies.

These partnerships can help gain access to new technologies, markets, or expertise that can enhance the core investment strategy. Secondaries will be considered on a case-by-case basis in line with the portfolio construction methodology outlined in Section 6.5 'Portfolio Construction' above.

Geographic Allocation:

The Fund is comprised of both the Partnership and the Trust and such structure allows it to participate in both domestic opportunities (via both the Partnership and the Trust) and international opportunities via the Trust.

Given the advantageous tax treatment under the ESVCLP regime (see Section 13 'Taxation'), the Manager expects to prioritise domestic operating and/or domiciled early stage companies. We are targeting 75-85% of capital to be allocated to these such domestic opportunities.

We believe that international markets specifically broaden the early-mover advantage whereby unanchored, promising start-ups find a natural ownership to product-market-fit plus go-to-market and thus capital return potential. In our view, the international spectrum of talent and resources cannot be ignored and will be selectively accessed by Dreamoro for a best competitive portfolio and Australian dollar capital exposure. Furthermore, there are important VC ecosystems or regions that cannot be overlooked in respect to early stage innovation track-record and thus positioning a possible global portfolio exposure will capture the wider, emerging supply of ideas and operations.

The Fund will target 15% - 25 % of 'dry powder' allocation beyond Australia or to international early stage companies that offer a best of breed opportunity outside of Australia.

Preferred major international markets identified by Dreamoro include:

- United States;
- Israel;
- United Kingdom;
- Germany;
- Singapore;
- Canada;

- India;
- New Zealand; and
- Brazil.

The Manager is mindful of the geo-political nature of international jurisdictions and will strictly adhere to the *Department of Foreign Affairs and Trade* policy on implementing United Nations Security Council (UNSC) sanctions regimes and Australian autonomous sanctions regimes.

6.6 Investment criteria

Each early stage opportunity that we pursue will have what we consider to be a unique pathway to commercial realisation. Dreamoro Ventures' overarching analysis of a potential investee is to seek to determine the likelihood, timings and strength of a product-market fit and assess the risk-return trade each investment therefore offers.

In essence, the Fund will invest in Founders who sit as 'General Managers' and 'Technical Project Managers' – i.e. their scope is to develop focus, accountability, alignment and framework to connect day-to-day activities to the fundamental company objective.

The Fund will only proceed to a binding commitment when the Manager has evaluated and has satisfied itself that the capital inflow will be efficient with due regard to the following analysis framework:

The Market	<p>What is the size of the market and how attractive is it (e.g. size, growth rate, margin, cash generation etc)</p> <p>What key segments exist, and what defines them?</p> <p>What are the core customer needs and pain points?</p> <p>What organisational capabilities are required to service/satisfy the market needs?</p>
The Target	<p>What is the company's product and how does it meet the market need</p> <p>What business model does the company employ and what are its unit economics</p> <p>What unique and defensible capabilities underpin the company's competitive advantage</p> <p>Who are the management team and what skills & experience do they bring</p>
The Competition	<p>Who currently services the market and what are their respective market shares?</p> <p>What different business models are deployed by competitors?</p> <p>What is the nature of competition in the market, i.e price-based, service-based, value based or other?</p> <p>What are the defensible capabilities deployed to service this market? What advantages does this confer?</p>
The Alignment:	<p>Does the product/service align with a U.N. SDG or other <i>Shared Value</i> opportunities?</p> <p>What skills and capabilities can Dreamoro bring to the company to increase its valuation?</p> <p>What cost and revenue synergies can be leveraged from the existing portfolio</p> <p>To what extent is Dreamoro comfortable with the current ownership, voting and equity rights structure?</p>
The Exit	<p>What complementary products or services become the natural owner of this market?</p> <p>At what size/valuation do these entities typically transact?</p> <p>Does this provide an attractive risk/return proposition for LP's if realising the investment thesis</p>

6.7 Environmental, social and governance (ESG)

Dreamoro Ventures focuses on ESG factors because it believes they are best practice stakeholder stewardship, can positively impact value creation and in turn, can potentially improve Fund investment returns.⁷³ Dreamoro utilises the United Nation's Sustainable Development Goals (see Figure 21) as good faith, 'top-down' guidance for the best interests and promotion of sustainable development while potentially enhancing an investee's long-term viability, reputation, and stakeholder relationships.

Figure 21: United Nation's Sustainable Development Goals (SDGs)



The Manager will conduct an ESG-focused survey of each investee of the Fund's portfolio at time of investment due diligence and annually subsequent which requires investees to consider and report on the following matters:

1. Identify relevant SDGs to organisation's industry, operations, and stakeholders. Consider where your organization can make a significant positive contribution.
2. Set specific, measurable and time-bound targets that align with those goals and the organisation's capabilities. They can address issues such as reducing greenhouse gas emissions, promoting gender equality, improving education, or supporting sustainable consumption and production.
3. Integrate a comprehensive ESG strategy that is part of the decision-making processes across the organization.
4. Engage stakeholders (internal and external) to gain their perspectives on the SDGs and your organization's ESG initiatives. Collaborate with industry peers, NGOs, governments, and local communities to share knowledge and best practices, promote collective action, and enhance the impact of your efforts.
5. Measure and report progress to stakeholders by quantitative and qualitative metrics to assess the impact of your ESG initiatives.
6. Regularly review and update your ESG strategy, targets, and practices to improve adoption of emerging best practices.

⁷³ Henisz, W., Koller, T., & Nuttall, R. (2019). Five ways that ESG creates value. *McKinsey Quarterly*.

The Manager considers that having and implementing a robust ESG policy is important to the Fund for the following key reasons:

- **Social and environmental impact:** Society today, and increasingly employees, are interested in achieving positive social and environmental impact alongside achieving financial returns. We believe that engaging with investees regarding social impact provides an opportunity to invest in companies that are seeking to address pressing social and environmental challenges, such as poverty, climate change, and inequality.
- **Increasing demand:** There is also a growing demand for products and services that have a positive social and environmental impact, as consumers become more conscious of the impact of their choices. We believe that this presents opportunities for start-ups that integrate a social impact focus into their organisation's products and culture to tap into a growing market and generate revenue.
- **Innovation:** It is our belief that to achieve social impact we require innovative solutions to complex social and environmental challenges. We believe that this creates opportunities for start-ups with this focus to develop unique and disruptive solutions that have the potential to generate significant impact.
- **Potential for financial returns:** While social and environmental impact is often the primary focus of investments with a strong culture of valuing social impact, we believe that many start-ups with these features also have strong potential for financial returns.

If the Manager considers an investee of the portfolio to be failing or under-performing in ESG factors, no further follow-on investment will be made.

6.8 Investment selection process

Dreamoro Ventures will select investment opportunities for the Fund based on the Fund's investment strategy, including the investment criteria (set out in Section 6.6 'Investment Criteria' above).

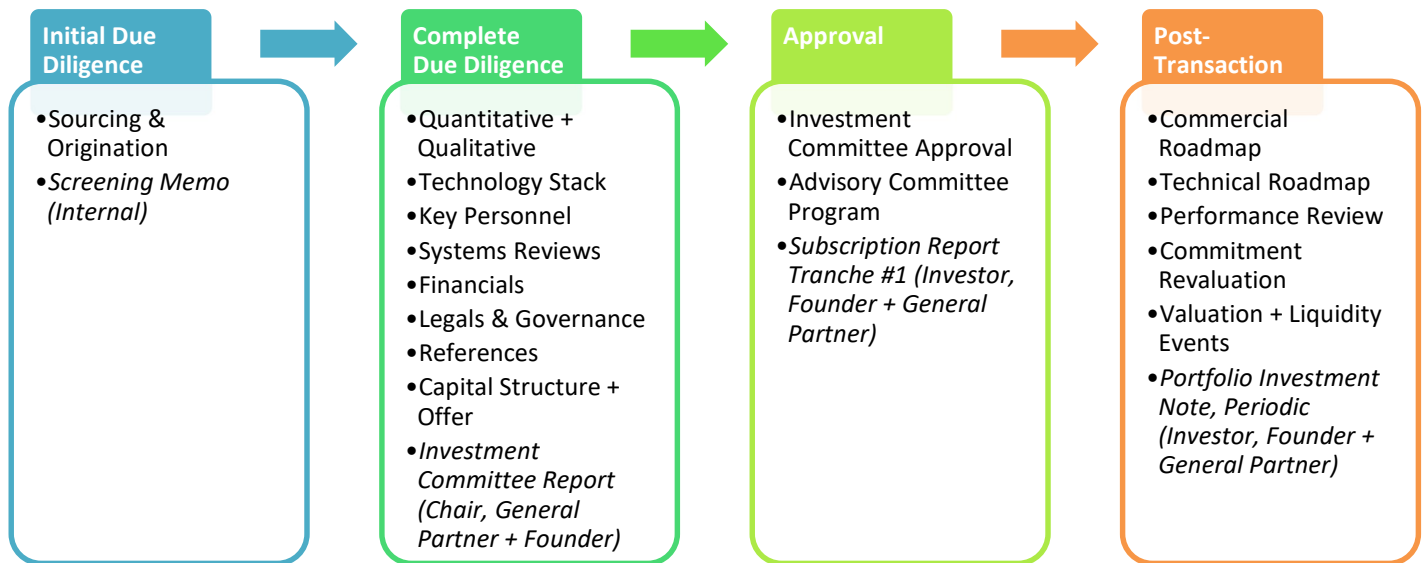
Once investments are sourced, they are initially screened by the Manager against a list of selection criteria. After passing the initial screening, more detailed discussions are conducted with the Founders and the Manager with participation from the broader Dreamoro Studio team, including initial technical due diligence. See Figure 17: Investment Committee's Investee Assessment & Approval in Section 4.2 'Investment Committee'.

If the potential investment passes these initial evaluations, we conduct legal, financial, operational and detailed technical due diligence process appropriate for the stage of investment. Dreamoro provides a collated data room for appropriate investee due diligence that covers corporate governance, technical capabilities, financials, key partnerships and other resourcing. Next, we prepare a formal deal memorandum which is distributed to the investment committee which then votes on the investment. If approved by the investment committee, further negotiations and due diligence are conducted and the investment is ultimately completed (or not) by signing the relevant legal documentation.

During the evaluation and post-investment stages Dreamoro prepares the following documents in relation to each proposed investment (see the *italic* notes in Figure 22 below):

- Initial due diligence stage: Screening Memo
- Complete due diligence stage: Investment Committee Report
- Approval stage: Subscription Report
- Post-Transaction stage: Portfolio Investment Note, Periodic.

Figure 22: Dreamoro's investment selection sequence and transaction



6.9 Exit and realisation

The Manager is cognisant of the “Pareto Principle” whereby 80% of returns typically come from 20% of investees.⁷⁴ We believe the VC industry follows a power law distribution of returns, with a small number of investments being responsible for the majority of gains, albeit the Fund’s model supported by Dreamoro is seeking to increase the gains across a greater proportion of the Fund’s portfolio.

However given this, we believe that it is important that the Fund does not exit its best performing investments too early. Accordingly, for those successful outlier investments, the Fund will aim to hold them for a longer period than average, allowing them time to compound.

As the Fund approaches its final years of existence, there are a number of ways it is expected to exit investments:

- **IPO:** A portfolio company may list on a public exchange and after a period of escrow, the Fund may distribute proceeds of share sales or the underlying stock itself.
- **M&A:** A strategic buyer or, increasingly, technology private equity firms, may acquire part or all of a portfolio company. As the scale of a company passes \$20 million+ in annual revenue or develops valuable IP and teams, this path becomes increasingly possible. Smaller acquisitions tend to happen earlier in the fund life, with larger acquisition potential as the portfolio companies mature.
- **Company secondary sale:** The Fund may sell a portion of its stock in a portfolio company to another shareholder of the portfolio company or an incoming investor in the portfolio company. Such a sale may be subject to customary restrictions such as first or last rights of refusal or pre-emptive rights.
- **Portfolio secondary sale:** The Fund may sell a portion of its investments to a third party. Such a sale may be subject to customary restrictions such as first or last rights of refusal or pre-emptive rights.

⁷⁴ Newman, MEJ (2005). "Power laws, Pareto Distributions, and Zipf's law". *Contemporary Physics*. **46** (5): 323–351.

7 Structure of the Fund

The Fund is comprised of the Partnership and the Trust. The Trust and Partnership are together known as the Fund. A Fund investment will be either made by the Partnership or the Trust and funds allocated by the Manager accordingly on the issue that investments that meet the investment strategy of the Fund will only be made by the Partnership if they are (and are expected to continue to be) ESVCLP Eligible Investments. Investments which are not made by the Partnership (e.g. Non-ESVCLP Eligible Investments) that meet the investment strategy of the Fund will be made by the Trust.

An Investor will be admitted as both a Limited Partner in the Partnership and as a unitholder in the Trust (as required).

The Partnership is structured as an incorporated limited partnership under the Partnership Act with incorporated limited partnership number 2300023 and is conditionally registered as an early stage venture capital limited partnership (**ESVCLP**) under the Venture Capital Act. Further conditions will need to be met by the Partnership prior to being unconditionally registered as an ESVCLP. The general partner of the Partnership is Dreamoro Ventures Management 1, LP (**General Partner**), an incorporated limited partnership under the Partnership Act (ILP 2300022) and a venture capital management partnership.

The Trust is an Australian unregistered managed investment scheme and structured as a unit trust. The trustee of the Trust is One Fund Services Ltd (ACN 615 523 003, AFSL 493421) a professional trustee firm, licensed by ASIC (**Trustee**).

The Trustee is a member of the One Investment Group (**OIG**). OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee and other services associated with funds management. OIG operates several entities that, pursuant to the Corporations Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG's licensed entities hold over 300 responsible entity/trustee roles, administering a range of asset classes including hedge funds, real estate, private equity, fixed income, credit and equities. The total value of the assets within these trusts is in excess of \$35 billion.

OIG's capabilities include:

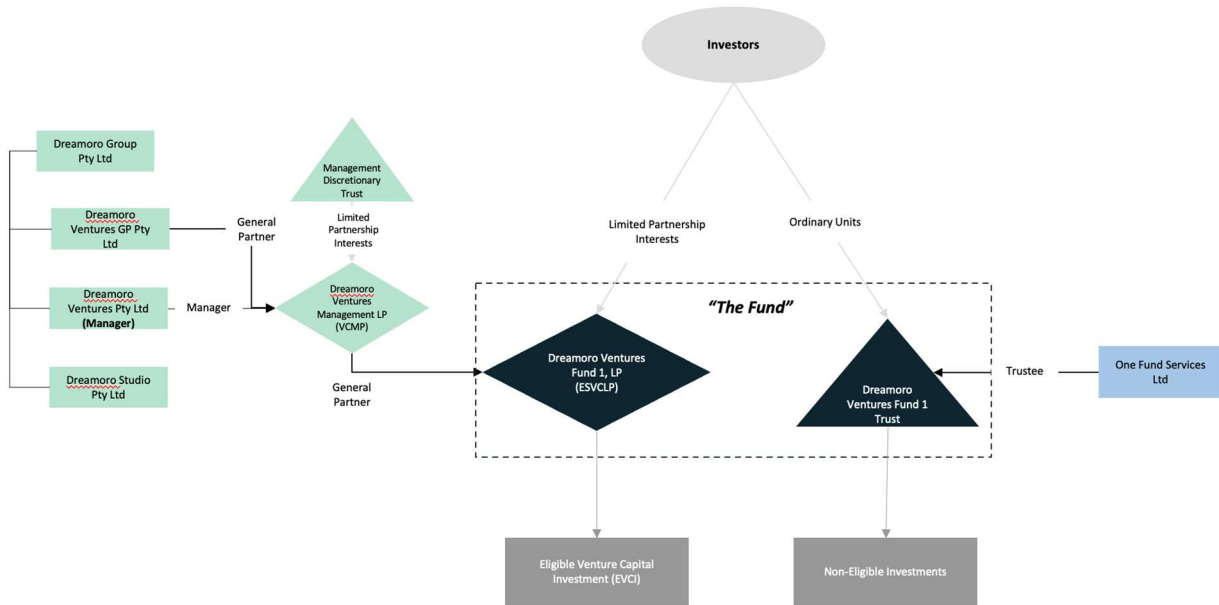
- Responsible entity services
- Trustee services
- Registry services
- Fund administration and taxation services
- Custody services.

The Constituent Documents permit the establishment of Additional Trusts. Where established, each Additional Trust will have a separate corporate trustee appointed. In this Information Memorandum, a reference to the Trust and to the Trustee will also be to the Additional Trusts and their respective trustee as applicable.

The General Partner and the Trustee will each appoint the Manager to manage the Partnership and the Trust respectively pursuant to an Investment Management Agreement.

The structure of Fund is as follows:

Figure 23: Dreamoro Ventures Fund 1 - Structure



7.1 Dreamoro Ventures Fund 1, LP – ESVCLP registration

The Partnership has been conditionally registered as an ESVCLP. Further conditions will need to be met by the Partnership prior to being unconditionally registered as an ESVCLP.

In order to be registered, and maintain registration, as an ESVCLP, the Partnership must meet certain technical requirements, including the submission of an Investment Plan that IISA considers to be “appropriate”. In determining whether the Investment Plan is “appropriate”, IISA must have regard to:

- the stages of development of the entities in which the Partnership proposes to invest;
- the levels of cash flow of those entities;
- the levels of technology of those entities;
- the proportions of intellectual property to total assets of those entities;
- the levels of risk and return of those entities;
- the amount of tangible assets and collateral of those entities against which borrowings may be secured;
- the requirements relating to the Partnership making and holding investments;
- whether the Partnership’s committed capital can only be used in relation to early stage venture capital, and whether it can be transferred to other entities;
- whether the Investment Plan is connected with other plans for investment that, if combined with the Investment Plan, would lead to the Partnership exceeding a \$200 million Fund Capital Commitment limit; and
- any additional matters specified in a guideline which may be issued.

The General Partner has put in place the Investment Plan which forms part of the Limited Partnership Deed. The General Partner and the Manager intend for the terms of the Partnership and the Investment Plan to comply with the technical requirements for registration of the Partnership as an ESVCLP. Once registered as an ESVCLP, the Investment Plan may not be amended without the approval of IISA or its delegates and may be amended without Investor consent.

When registered as an ESVCLP, the Department of Industry, Science and Resources (as a delegate of IISA) is expected to monitor compliance of the Partnership with the ESVCLP Rules through examining relevant documents including both the Partnership's quarterly and annual returns and any additional information it considers necessary for the purposes of administering the program. Compliance assessment is also undertaken by the Australian Taxation Office (ATO), which receives copies of all ESVCLP reports submitted to IISA on behalf of the Partnership. The ATO may undertake risk assessment activities to ensure compliance with the legislation under its administration.

The Partnership must maintain registration as an ESVCLP must at all times have committed capital of at least \$10 million and no more than \$200 million under the Venture Capital Act.

The Partnership may only make investments that are ESVCLP Eligible Investments. The Partnership is subject to the requirements of the Venture Capital Act and the Tax Act and any determination made by IISA. These requirements include that an investee of the Partnership meets certain criteria including that:

- it has at least 50% of assets/staff located in Australia at the time of investment and for at least 12 months after;
- it has total assets of not more than \$50 million;
- it has a predominant activity that is not property development or land ownership, finance, insurance, construction, making investments directed at delivering passive income;
- it is not listed, except where the company/unit trust was unlisted at the time of initial investment and lists thereafter i.e. the Partnership can make pre-IPO investments and then retain its position after listing, subject to the Venture Capital Act; and
- the Partnership may not invest more than 30% of the total Capital Commitment of the Partnership in any one investee.

The Fund may make non-ESVCLP Eligible Investments through the Trust as the Trust is not subject to the ESVCLP Rules.

Upon the admission to the Fund, all of an Investor's Capital Commitment will be made to the Partnership. If a capital call is made in respect of the Trust, then the Capital Commitment to the Partnership will be reduced by the amount called to the Trust, provided that at all times, the Partnership must have at least \$10 million of committed capital.

7.2 Dreamoro Ventures Fund 1 Trust – Managed investment trust

The requirements for a trust to qualify as a managed investment trust are, broadly speaking:

- the trustee of the trust must be an Australian resident;
- the trust must not be a "trading trust" (ie, it must not control a trading business);
- the trust must satisfy the requirements of a managed investment scheme under the Corporations Act (but importantly does not have to be a registered scheme), subject to certain exceptions;
- the trust must be operated or managed by an AFSL holder or an authorised representative of an AFSL holder, or must satisfy certain exemptions to that requirement;
- the trust must be widely held – in the case of a wholesale trust, that means there must be at least 25 or more members, subject to certain exceptions; and
- the trust must not be closely held – in the case of a wholesale trust, it cannot be the case that 10 or fewer persons hold 75% or more of the interests in the trust, and a foreign resident individual (ie a natural person) cannot have an interest in the trust of 10% or more.

8 Key Terms

This section contains a summary and description of certain features of the Fund. Any information provided in this Information Memorandum and in any other document or communication is subject to the terms of the Constituent Documents.

<p>Fund</p>	<p>The Fund is structured as:</p> <ul style="list-style-type: none"> • an incorporated limited partnership under the Partnership Act known as Dreamoro Ventures Fund 1, LP (Partnership); and • an Australian domiciled wholesale managed investment scheme and unit trust known as Dreamoro Ventures Fund 1 Trust (Trust). <p>The Partnership and the Trust are together known as the Dreamoro Ventures Fund 1 (Fund).</p> <p>The Partnership is conditionally registered as ESVCLP and further conditions will need to be met by the Partnership prior to being registered as an ESVCLP. The Partnership can only make and hold ESVCLP Eligible Investments permitted by the ESVCLP Rules. The Partnership is governed by the Limited Partnership Deed.</p> <p>The Trust is an unregistered managed investment scheme which is structured as a unit trust, which may qualify as a MIT and elect to qualify as an AMIT. The Trust is governed by the Trust Deed.</p> <p>The Constituent Documents also permit the establishment of Additional Trusts.</p> <p>Investors in the Fund will become Limited Partners (in the Partnership) and Unitholders (in the Trust), Persons investing in the Fund are referred to as Investors.</p> <p>The Partnership and Trust will not, and are not required to, be registered as a managed investment scheme under the Corporations Act.</p>
<p>General Partner and Trustee</p>	<p>The General Partner of the Partnership is Dreamoro Ventures Management 1, LP, (ILP 2300022, CAR 00136275), an incorporated limited partnership under the Partnership Act which is a 'venture capital management partnership'.</p> <p>The Trustee of the Trust is One Fund Services Ltd (ACN 615 523 003, AFSL 493421).</p> <p>Where established, each Additional Trust will have a separate corporate trustee appointed. In this Memorandum, a reference to the Trust and to the Trustee will also be to the Additional Trusts and their respective trustees as applicable.</p>
<p>Manager</p>	<p>The General Partner and the Trustee will each separately appoint Dreamoro Ventures Pty Ltd (ACN 669 010 593), (CAR No. 001306000) as manager of the Partnership and the Trust respectively pursuant to an Investment Management Agreement to undertake the day-to-day management of the Fund. The Manager is an authorised representative under the AFSL of the Licensee.</p>
<p>Fund investment objective</p>	<p>The Fund's investment objective is to gain exposure to high quality, purpose driven early stage companies that are interfaced to deliver innovative scale and efficiency in the healthtech and digital media & entertainment sectors. The Fund will target predominantly Australian businesses and expects to be often the first or second institutional investor with the potential to invest in follow-on rounds.</p> <p>The Fund may not be successful in meeting this objective.</p>

Target Return	While no guarantee of performance is provided, the Fund will seek to provide Investors with a minimum return equivalent to an IRR of approximately 25% per annum (after taking into account fees and expenses but before tax) over a 7 year period commencing on the First Closing Date. ⁷⁵ This is a target only and no returns are guaranteed.
Target size of Fund	The target size of the Fund is a minimum of \$20 million in Fund Capital Commitments and a maximum of \$80 million in Fund Capital Commitments over a series of closes, commencing on the First Closing Date. A minimum allocation of \$10 million in Capital Commitments will be allocated to the Partnership to comply with the ESVCLP Rules. There is also a hard cap of \$200 million in Fund Capital Commitments to comply with the ESVCLP Rules.
Closing dates	The Manager reserves the right to close the Fund at any time. However, a first close with \$20 million in Fund Capital Commitments is expected to occur by 15 June 2025 or earlier at sole discretion of Manager (First Closing Date). The Manager expects that final closing will occur within (and no later than) 18 months after the First Closing Date (Final Closing Date).
Investors	The Fund is limited to Wholesale Clients. Subject to this, the Fund is available to all types of investors, including individuals, superannuation funds and family trusts/companies, as well as professional investors and family offices.
Manager Participation	The Investment Team will together invest (either directly or via their associates including the Manager) the lower amount of \$1 million or 1.25% of the aggregate Fund Capital Commitments by the Final Closing Date (Manager Participation). The Manager Participation will be funded by the after tax proceeds of the Management Fee which is paid to the Manager for the first 5 years following the First Closing Date. The Investment Team will abstain from voting their interests in the Fund via the Manager Participation on resolutions relating to the removal of the General Partner/ Trustee / Manager (as the case may be).
Minimum Investment	The minimum Capital Commitment for any Investor will be \$250,000, unless specifically permitted by the Manager. No Limited Partner may hold more than 30% of the total Capital Commitments of the Partnership except where permitted under the Venture Capital Act.
Capital Commitments	Investors will subscribe to invest in the Fund by way of Capital Commitments. Investors will be called for any of their unpaid Capital Commitments to either the Partnership or a Trust or any combination of the Partnership and the Trust at the discretion of the Manager and in accordance with the Constituent Documents. The Manager reserves the right to require certain Investors to pay up to 100% of their Capital Commitments upfront at the time of their subscription and in priority to other Investors and to make calls in respect of the Manager Participation at different times and paid up proportions to other Investors.
Partnership and Trust investment allocation	Investments that satisfy the investment policy of the Fund will only be made by the Partnership if they are (and are expected to continue to be) ESVCLP Eligible Investments. Investments which are not made by the Partnership but that meet the investment objective of the Fund will be made by the Trust, and Investor's Capital Commitments will be called to the Trust accordingly as directed by the

⁷⁵ This period is based on Dreamoro's expectation of the typical and average hold period, which may not be the actual hold period of all investees of the Fund.

	<p>Manager.</p> <p>Where calls on undrawn Capital Commitments are directed to the Trust instead of to the Partnership, Investors will be issued Units, which may be fully paid or partly paid as determined by the Trustee. The Trustee need not require full payment of any partly paid Units where issued.</p> <p>For the avoidance of doubt, any ESVCLP tax concessions or benefits (eg, tax exemption for income and gains from eligible investments and the 10% non-refundable tax offset) will not apply in respect of any investments made by the Trust – refer to Section 11 ‘Taxation’.</p>
Calls	<p>The first capital call for unpaid Capital Commitments will be issued by the Manager following the First Closing Date. Capital calls for unpaid Capital Commitments are payable within 10 Business Days of the date of the notice.</p> <p>Following the Investment Period, Investors will not be required to pay further calls on their unpaid Capital Commitments except as set out in the Constituent Documents for certain purposes that include:</p> <ul style="list-style-type: none"> • making additional investments in existing Fund investments (e.g. follow-on investments); • making an investment that the Fund was bound to make prior to the end of the Investment Period; • making a new investment which has been approved by Ordinary Resolution; • making an investment approved by the Manager before, and made within six months after, the end of the Investment Period; • meeting an expense or liability of the Fund (including Management Fees and to indemnify the Manager, General Partner or Trustee (as the case may be)); or • liquidity investments for the purposes of investing funds pending their use.
Late Capital, Late Capital Interest and Late Management Fee	<p>Investors admitted on a closing date after the First Closing Date will contribute to the Fund, as determined by the Manager, the proportion of their Capital Commitments that they would have paid had they been admitted on the First Closing Date (Late Capital) plus an amount equal to such paid Capital Commitment multiplied by up to 10% per annum applied from the date the payment would have been payable until the later closing date (Late Capital Interest). The Late Capital plus the Late Capital Interest is paid to the Fund.</p> <p>The Manager may waive Late Capital Interest and will waive this for any interests in the Fund via the Manager Participation.</p> <p>The Late Capital includes the late Investor’s proportionate share of any of the Funds’ fees (including Trustee fees) and expenses that would have been borne by late Investor had it been admitted on the First Closing Date, including the Late Management Fee (as that term is defined in the Constituent Documents) which is a catch-up management fee paid to the Manager.</p>
Investment restrictions and ECVI	<p>The Manager may cause the Fund to make investments in accordance with the discretions and approval process set out in the Constituent Documents and subject to the following limits:</p> <ul style="list-style-type: none"> • in the case of the Partnership, investments must qualify as EVCI or permitted loans; and • in the case of both the Partnership and the Trust, a borrowing limit of 20% of the Fund’s Capital Commitments, to be used to accommodate any

	<p>delay in receipt of funds from capital calls.</p> <p>Broadly, the main requirements for an investment of the Partnership to constitute an EVCI are as follows:</p> <ul style="list-style-type: none"> • The investment must be in shares, options, units or certain kinds of convertible notes that are held at risk (i.e., no guaranteed return) in an investee. • Immediately before the investment is made, the total value of the investee’s assets (and any connected entities’ assets) must not exceed \$50 million. • The investee must have the requisite connection to Australia at the time of investment (including, for example, being an Australian resident and having more than 50% of its employees and assets in Australia), although up to a maximum of 20% of the Partnership’s committed capital (measured based on the value of the overseas investments from time to time) need not comply with the Australian nexus requirements. • Subject to certain exceptions that relate to investments in holding companies and head companies of consolidated groups, the investee must satisfy at least two of the following requirements: <ul style="list-style-type: none"> • more than 75% of the investee’s and its controlled entities’ assets must be used primarily in activities other than ‘ineligible activities’ (generally, property development; banking; insurance; infrastructure; or passive investments, subject to limited exceptions for special purpose holding companies or head companies of consolidated groups); <ul style="list-style-type: none"> ▪ more than 75% of the investee’s and its controlled entities’ employees must be engaged primarily in activities other than ineligible activities; ▪ more than 75% of the investee’s and its controlled entities’ total income must be generated from activities other than ineligible activities. • The investee must be unlisted when the first investment in that investee is made. However, secondary investments in the investee may be made if the investee is listed. • Investments must normally involve an allotment by the investee, but in certain circumstances, the Partnership may acquire ‘pre-owned’ investments. • The investee must have a registered auditor at the end of the financial year in which the investment occurs (subject to certain exceptions). <p>The Trust is not subject to the same EVCI restrictions as the Partnership.</p>
<p>Investment Period</p>	<p>The Investment Period for the Fund will run to the 4th anniversary of the Final Closing Date, unless extended for up to 18 months by the Manager.</p>
<p>Reinvestment of capital</p>	<p>The General Partner and Trustee (as the case may be) may, at their discretion, reinvest capital returned from investments of the Partnership or the Trust (as the case may be) within the Investment Period as set out in the Constituent Documents.</p>
<p>Fund Term</p>	<p>The Fund will have a term of 10 years from the date of First Closing Date, which may be extended by up to (but not exceeding) three additional years at the discretion of the Manager. This means that the minimum possible life of the Fund is 10 years from the date of First Closing Date and the maximum possible life of the Fund is 13 years from the date of First Closing Date.</p>

	<p>The Partnership's term is also subject to the ESVCLP Rules which require that the Partnership is not in existence less than 5 years or in excess of 15 years.</p>
<p>Management Fees</p>	<p>The Manager is entitled to receive the following management fees (Management Fees):</p> <ol style="list-style-type: none"> a. an amount equal to 2.2% (exclusive of GST) per annum of Fund Capital Commitments until the end of the Investment Period; and b. an amount equal to 2.2% (exclusive of GST) per annum thereafter, of Invested Capital until the winding up of the Fund. <p>Management Fees will be calculated and paid to the Manager semi-annually in advance (with pro rata payments for partial periods) commencing on the First Closing Date. Management Fees will be paid to the Manager from the Fund.</p> <p>The Manager and its associates may accept lower fees or defer payment of fees for any period. Any deferral will on no way affect the right of the Manager or its associates to receive the applicable fees.</p>
<p>Distribution entitlements and carried interest</p>	<p>Distributions of capital, income or other gains from the Fund (after all fees and expenses) may be made in such amounts and at such times as the Manager considers appropriate at its discretion. However, it is presently anticipated that distributable cash will be paid to Investors as soon as practicable after receipt by the Fund. Distributions are unlikely to be regular or predictable.</p> <p>Distributions of income and gains will be made in the following order of priority:</p> <ul style="list-style-type: none"> • Return of Capital: Firstly, 100% to Investors until they have each received (including tax credits/offsets) their Capital Contributions plus a Preferred Return (representing an IRR of 10% p.a including franking credits/offsets); • Catch Up: Secondly, 50% to Investors and 50% to the General Partner and the Sponsor Unit Holders (considered together) until the General Partner and the Sponsor Unit Holders have received 20% of the sum of the aggregate Preferred Return amounts of Investors and the amounts distributed under this provision; and • Split: Thirdly, 80% to Investors and 20% (together) to the General Partner and the Sponsor Unit Holders (considered together). <p>The distribution entitlements above will be calculated on a 'whole of fund' basis between the Partnership and the Trust.</p> <p>The General Partner and the Sponsor Unit Holders will be subject to a clawback (net of taxes) at the end of the life of the Fund if it turns out the Carry received during the life of the Fund exceeds the amount specified above.</p>
<p>Redraw</p>	<p>The General Partner and the Trustee may recall up to 30% of amounts distributed for up to 3 years after distribution from the Fund to Investors in connection with a particular investment where that investment requires such amounts to be repaid to it by the Fund.</p>

<p>ESVCLP registration, Investment Plan and ongoing compliance</p>	<p>The Partnership is conditionally registered as an ESVCLP and can only make and hold ESVCLP eligible investments permitted by the ESVCLP Rules. Further conditions will need to be met by the Partnership prior to being registered as an ESVCLP.</p> <p>The Partnership's status as an ESVCLP is subject to the approval of IISA.</p> <p>The Partnership has in place the Investment Plan approved by IISA which forms part of the Limited Partnership Deed. The Investment Plan may not be amended without the approval of IISA.</p> <p>In seeking full registration of the Partnership as an ESVCLP, this Memorandum and the Constituent Documents may require amending at the request of IISA or its delegates.</p>
<p>Co-investments</p>	<p>The Manager may offer co-investment opportunities and may offer these to Investors in the Fund and other external investors and associates of the Manager and General Partner.</p> <p>The Manager will establish the terms and conditions on which each co-investment is to be offered.</p>
<p>Valuations</p>	<p>The Net Asset Value of the Fund and its property will be valued or revalued as set out in the Constituent Documents including where:</p> <ul style="list-style-type: none"> • required under the accounting policies or such other valuation methodology selected by the General Partner or Trustee (as the case may be) in their discretion which they determine to be relevant to Investors; • the General Partner, Trustee or the Manager (as the case may be) retires or is removed; • the Fund is wound up; or • at other times as the General Partner, Trustee or the Manager (as the case may be) determine in their absolute discretion.
<p>Defaulting investors</p>	<p>In the event an Investor does not pay a call on its Capital Commitments or other amount due to the Fund when required, the General Partner, the Trustee and the Manager will have the right under the Constituent Documents to:</p> <ul style="list-style-type: none"> • seek payment of the due amount plus interest, expenses and costs; • apply any amount payable from the Fund to the relevant Investor to offset unpaid amount plus any accrued interest, expenses and costs; and • forfeit and/or sell the Investor's interests, under the Constituent Documents. <p>Rights attaching to the interests of a defaulting Investor (such as voting rights and distributions) will be suspended while it continues to be a defaulting Investor.</p>
<p>Compulsory withdrawals</p>	<p>Investors' interests may be forfeited under the Constituent Documents such as where:</p> <ul style="list-style-type: none"> • interests are held in breach of prohibitions contained in the Constituent Documents; • interests are held in circumstances which might result in a violation of an applicable law, or subject the Fund, the General Partner, the Trustee or Manager to taxation or otherwise adversely affect them in any material respect; • the Investor made a misrepresentation in acquiring its interests; or • the Investor fails to pay a call amount within the time specified in the

	<p>Constituent Documents.</p> <p>The Fund may charge an Investor any legal, accounting, administrative or other amounts associated with a compulsory withdrawal.</p>
Establishment Costs	<p>The Manager will be entitled to be reimbursed for all costs properly incurred in the establishment of the Fund (including costs relating to obtaining authorisations from the Licensee from the General Partner, the Manager or the Partnership) and expenses incurred prior to the First Closing Date.</p>
Reimbursement of Expenses	<p>The Fund will reimburse the General Partner, Trustee or Manager (or their appointees, to the extent permitted under the Constituent Documents) for all out-of-pocket expenses properly incurred in connection with the management of the affairs of the Fund as set out in the Constituent Documents.</p>
Outside Fees	<p>Outside Fees payable by investees or prospective investees of the Fund or by other third parties to the Trust, General Partner or Manager will be offset against the Management Fees. However, the Trust, General Partner or Manager may retain (without offset against the Management Fees) any amounts that are paid by investees or prospective investees for extraordinary services, at the discretion of the Manager. Any fees paid to Dreamoro Studio are excluded.</p>
Advisory Committee	<p>The Manager will appoint representatives from Investors, as appropriate, to the Advisory Committee to provide advice and in some cases consent with respect to corporate governance, conflicts of interest, and other matters set out in the Constituent Documents.</p>
Removal of General Partner, Trustee and Manager	<p>The Manager, General Partner and Trustee may be removed by Investors by Ordinary Resolution (excluding Manager Investors) where there is an insolvency event, they have acted with negligence, fraud or wilful default or there is a breach of a material obligation under an Investment Document.</p> <p>The Manager, General Partner and Trustee may be removed by Investors by Special Resolution (excluding Manager Investors) where they are required to retire under law or their continuing to act would be prohibited.</p> <p>The Manager, Trustee and General Partner may be removed by Investors by Extraordinary Resolution (excluding Manager Investors) for reasons other than for cause.</p> <p>Termination fees and Carry are payable to the Trustee, Manager, General Partner, Sponsor Unit Holders as described under Section 10 'Fees and Costs'.</p> <p>Amounts determined to be owing to the Manager, Trustee, General Partner or Sponsor Unit Holders under these termination arrangements are debts owing by the Fund to the relevant party and must be paid in priority to other distributions.</p>

<p>Amendment of the Constituent Documents</p>	<p>Amendments to the Constituent Documents may be made:</p> <ul style="list-style-type: none"> • which are of a formal or technical nature, made to correct a manifest error or inconsistency or which is necessary to comply with the provisions of any law, including in connection with, or seeking, ESVCLP registration and the MIT regime in the case of the Trust; • which will not have a materially adverse effect on the rights of any Investors may be made by the General Partner and the Trustee (as the case may be); • if all Investors and the General Partner and the Trustee (as the case may be) consent in writing; or • with approval by Ordinary Resolution.
<p>Subscriptions</p>	<p>Applications to invest in the Fund are made by way of the Application Form available at www.olivia123.com/dreamoro-ventures-pty-ltd/dreamoro-ventures-fund-1.php.</p> <p>To invest in the Fund by the First Closing Date, completed Application Forms and associated documents (such as proof of identity documents and other investor information) must be lodged via the website above by 5:00pm Sydney time on the date advised to you by the Manager. The Manager will advise as to additional close dates. Applications may be refused in full or in part by the Manager, the General Partner or the Trustee in their absolute discretion.</p> <p>Subscriptions will not be accepted after 20 Business Days following the Final Closing Date unless consented to by all Investors in the Fund.</p>
<p>Withdrawal and Transfer from the Fund</p>	<p>Investors may not withdraw from the Fund prior to the winding up of the Fund. Interests in the Fund cannot be redeemed by Investors without Trustee and General Partner consent.</p> <p>The prior written consent of the Manager is required before an Investor may transfer any or all of its interests in the Fund, which consent will not be unreasonably withheld. A transfer of the interest in the Fund will require the transferee to accede to the Constituent Documents, including by accepting liability to pay undrawn Capital Commitments to the Fund of the relevant transferor. Costs of the transfer are borne by the transferring Investor.</p> <p>Any permitted transfer of an Investor's interest in the Fund must include the same proportion of Units and Partnership Interests held by the Investor to the same transferee unless otherwise agreed by the Trustee (in respect of Units) and the General Partner (in respect of Partnership Interests) in their absolute discretion.</p>

<p>Reporting</p>	<p>The Manager will provide to the Investors within 45 days after the end of each half year:</p> <ul style="list-style-type: none"> • a narrative statement in respect of the general performance of the Fund during the half year; and • a narrative statement in respect of each investment and details of the acquisition or realisation of an investment during the half year. <p>Within 90 days after the end of each Financial Year, the Manager must provide all relevant information concerning the Fund's investments and income as reasonably necessary to allow each Investor to file its tax returns.</p> <p>Within 120 days after the end of each Financial Year, the Manager must provide to each Investor Partnership and Trust accounts for the Financial Year which have been audited by a registered company auditor.</p>
<p>Subsequent Funds</p>	<p>The General Partner, Trustee and Manager will not raise a subsequent fund with the same or similar investment mandate until the earlier of:</p> <ul style="list-style-type: none"> • the expiry of the Investment Period; • the date the Partnership and Trust is wound-up; • at least 60% of the Fund Capital Commitments have been called or otherwise committed or reserved for draw down; or • the date the General Partner, Trustee or Manager is removed or retires under the Constituent Documents. <p>This excludes any funds established as permitted under the Constituent Documents such as Additional Trusts or co-investment vehicles or personal investing vehicles or funds which were established prior to the date of this Memorandum.</p>
<p>Key Persons and Key Person Event</p>	<p>Klaus Bartosch, Ross McCreath and Phillip Inberg will be the Key Persons for the Fund. If a Key Person Event occurs, then neither the General Partner, Trustee nor Manager may commit the Fund to any new investment, unless approval is obtained from the Advisory Committee in respect of either a proposed replacement Key Person or its election not to replace the person the subject of the Key Person event.</p> <p>A Key Person Event will include, in relation to 2 or more Key Persons, the death, disability, resignation, retirement or other termination of employment with the Manager or in relation to the Fund of such Key Person, or a material reduction in the business time and attention devoted by such Key Person to the affairs of the Manager or the Fund.</p>
<p>Key risk factors</p>	<p>Investing in private market early stage venture companies is inherently risky. The investee companies and the Fund may be exposed to a wide range of risks. Furthermore, the risk/return profile will vary from investment to investment, with earlier stage investments being typically riskier (and with higher potential returns) than later stage investments. Refer Section 9 'Investment Risks' in this Memorandum for further details.</p>

9 Investment Risks

As with all investments, an investment in the Fund carries risk. Risk can be managed but it cannot be completely eliminated. It is important to understand that:

- investment returns will vary and future returns may be different from past returns;
- returns are not guaranteed and there is always the chance that an Investor may lose some or all of the money invested; and
- laws affecting investment in a trust, an incorporated limited partnership or an ESVCLP may change over time.

The appropriate level of risk for an Investor will depend on the Investor's age, investment time frame, where and how other parts of the Investor's wealth are invested, and how comfortable the Investor is with the possibility of losing some of the Investor's money. It is important to note that investment decisions, although taken carefully are not always successful and further that investing in the Fund may give different results compared to investing directly. All investments are subject to varying risks, and the value of your investment in the Fund can rise and fall over time. Prospective investors should consider that there are risks associated with an investment in the Fund.

The Fund Parties do not guarantee any level of return to Investors and the historic performance of investments managed by the Manager, the General Partner, the Trustee or their respective affiliates and associates cannot be taken as an indication of the future performance of the Fund. Prospective investors are advised to obtain independent legal advice before investing.

While not exhaustive, some significant risks associated with the Fund are discussed below.

9.1 Risks associated with an investment in the Fund

The above list does not purport to be a complete or conclusive examination of the risks in relation to an investment in the Fund. Prospective investors should read this Memorandum in its entirety and seek professional advice before deciding to invest. Performance of the Fund is not guaranteed.

Type of Risk	Description of Risk
ESVCLP registration	<p>The Partnership has been conditionally registered as an ESVCLP and further conditions will need to be met prior to being registered as an ESVCLP. The Partnership can only make and hold ESVCLP eligible investments permitted by the ESVCLP Rules.</p> <p>The Partnership's ESVCLP registration and Investment Plan are subject to the approval of IISA whose approval may be withheld or delayed beyond the control of the General Partner and the Manager. The General Partner and the Manager give no guarantee that the Partnership will be granted registration as an ESVCLP or the timing of this approval. The Investment Plan may require amending to comply with IISA's decision and may need to be amended without Investor consent.</p> <p>Where ESVCLP approval is not granted the Manager will consider alternative structures for the Fund.</p> <p>There is risk that the General Partner and the Manager will not be able to raise the minimum funds required (\$10 million in committed capital) for the Partnership to be granted unconditional registration by IISA.</p> <p>Therefore, there is a risk that a Limited Partner's share of the Partnership profits (if any) from a realisation may be taxable. In addition, there is a risk that the Manager is unable to defer a realisation until after the minimum 12 month holding period necessary for the concessional tax treatment.</p> <p>There is a risk that IISA or the ATO may determine that the Partnership, or one or several of the Partnership's investments are not compliant for the purposes of the ESVCLP regime. This could lead to adverse consequences for the Partnership and Limited Partners.</p> <p>Any available tax attributes as outlined in Section 11 'Taxation', under the ESVCLP regime are subject to the Partnership becoming unconditionally registered, maintaining its registration as an ESVCLP and complying with the ESVCLP Rules. ESVCLP registration is not guaranteed by the Fund Parties.</p> <p>The General Partner is not obliged to allow Investors to exit the Partnership where ESVCLP registration is not achieved.</p>
Accounting policies	<p>Changes to accounting standards and policies (as the case may be) may affect valuation of the Fund's assets, liabilities, income and expenses in a manner which may be adverse to Investors.</p>
Changes in law and government policy	<p>There is a risk that the government or a governmental agency will repeal, or amend an existing law or regulation, or enact or promulgate a new law or regulation or that the government, a governmental agency or the courts will issue a new interpretation of a law or regulation which may adversely affect the Fund or the Fund's investees. Without limiting the types of changes in law and government policy that may occur, the tax and/or regulatory status of the Fund and its investees may be adversely affected.</p>
Taxation	<p>The returns to Investors may be affected by changes to taxation legislation which affect the Fund or the Fund's investees. Changes to taxation legislation may necessitate a change to the Fund's structure and investments.</p>
Disasters	<p>Disasters such as natural phenomena, pandemics, COVID-19, acts of God and terrorist attacks may damage or cause disruption to the investee and the Fund. It is not always possible to insure against some of these events in part or in full. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected.</p>

Structural	<p>Risks associated with investing in the Fund include:</p> <ul style="list-style-type: none"> • it could be terminated • there can be changes in the Manager, or its investment and management teams (including the Investment Team or Advisory Committee) or key relationships, or there could be disputes amongst them • someone involved with your investment (even remotely) does not meet their obligations or perform as expected • investment decisions, although taken carefully, are not always successful, and • investing in the Fund may give different results compared to investing directly.
Target returns	<p>There is a risk that the Fund will not achieve the level of returns being targeted. The Fund Parties do not guarantee the level of returns targeted by the Fund.</p>
Management	<p>The degree of success of the Fund will depend on the expertise and experience of the Manager in identifying, structuring, developing and realising potential investments consistent with the Fund's investment objectives and strategy.</p> <p>While the intention is for the Manager to create and maintain a stable Investment Team that is focused on the Fund and its growth, there can be no assurance that the Investment Team will continue to be employed by, or otherwise available to, the Manager.</p>
Illiquid investment/ no redemptions or transfers	<p>There is no right to withdraw or redeem your investment in the Fund nor is there a secondary market to transfer your Partnership Interests and Units. That is, you have no right to redeem or withdraw your investment in the Fund. Nor may you transfer your investment without consent of the Manager, General Partner and the Trustee. An investment in the Fund therefore is illiquid.</p>
Regulatory	<p>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 Partnership is governed by the Limited Partnership Deed, the Trust is governed by the Trust Deed, and both are governed by the Application Form and the offer set out in this Memorandum which has not been lodged with ASIC. Regulatory changes to the Corporations Act may affect optimum investment decision making by the Manager. The actions of governments and regulators have a significant influence on the outlook for companies and the returns to Investors.</p>
Lack of operating history	<p>Though the Investment Team has extensive experience in making private company investments for their own account or on behalf of other institutions, the Fund, the Manager and the General Partner are newly formed entities with no operating history upon which to evaluate the Fund's likely performance or success of the Fund's intended investment strategy. The past performance of prior investments that the Investment Team has been involved with is no indicator of future performance.</p>
Compulsory redemption	<p>Partnership Interests and Units may be subject to compulsory sale under the Constituent Documents, for example, in the event of failure by an Investor to meet a capital call for their unpaid Capital Commitment when they are required or where they make a misrepresentation in their Application Form.</p>
Past performance	<p>The past performance of the key management personnel of the Manager, the Trustee and the General Partner, including the Investment Team and the Advisory Committee are not indicative of future performance. There can be no assurance that the investment objectives of the Fund will be achieved.</p>

Capital calls and defaults	Investors may default on capital calls due to, but not limited to, circumstances that affect the economy generally or the Investors individually. If an Investor defaults on a call for any of its unpaid Capital Commitment, it may be subject to various remedies as provided in the Constituent Documents and the Application Form, including without limitation, forfeiture of its Partnership Interests and Units. If an Investor fails to fund any call on its unpaid Capital Commitment when due, and the Capital Contributions 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 the Investors in the Fund.
First and subsequent closing	Investors admitted at subsequent closings to the first closing will participate in existing investments of the Fund, diluting the interest of existing Investors. Dilution may not be fully offset by the premium payable at subsequent closings (i.e. Late Capital Interest).
Capital Raise	There is a risk that the Fund may not reach its target capital raise, and that Investors' interests in the Fund may be diluted by fixed costs spread across a lower asset base.
Cyber	There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the Fund Parties' IT systems and networks and those of their service providers.
Carry	Carry is performance based and therefore the Investment Team may focus on higher return investments which carry a higher risk of capital loss.
Conflict of interest and related parties	The Manager, the Trustee and the General Partner have significant roles and responsibilities in relation to the Fund. Certain advisors and service providers to the Fund and its investees will be related parties of the Manager, such as Dreamoro Studio. The General Partner and the Manager are related parties. The Administrator, the Registrar and the Licensee are associated with or related parties of the Trustee. There is a risk that decision-making between the entities, or between the entities and any other related parties may not be impartial and may result in a conflict of interest.
Borrowing	The Fund may borrow funds from external lenders to fund shortfalls from capital calls. An adverse outcome or unforeseen challenges may result in a higher level of financial exposure than would be the case without borrowing. Borrowings typically come with interest payments. Fluctuations in interest rates can affect the cost of borrowing, potentially impacting project economics and returns.
Redraw	Under the Constituent Documents, distributions already paid to Investor may be recalled. If an Investor fails to repay distributions when due, it may be subject to various remedies pursuant to the Constituent Documents and outlined in the Application Form, including without limitation, forfeiture of its Partnership Interests and Units.

9.2 Risks associated with the investments made by the Fund

Type of Risk	Description of Risk
Market	Economic, technological, political or legal conditions, unexpected major world events, interest rates and even market sentiment, can (and do) change, and changes in the value of investment markets can affect the value of the investments in the Fund. These changes can all directly or indirectly create an environment that influences the value of your investments. Failing to raise sufficient capital could result in the Fund being unable to achieve its targeted investment strategy and objectives.

<p>Early stage venture capital investments</p>	<p>There are a number of risks that are specific to venture capital and early stage investments which lead to a higher rate of failure compared to more mature businesses, including but not limited to:</p> <ul style="list-style-type: none"> • 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 company may encounter challenges in respect of the securing, registration or scope of the necessary intellectual property rights to develop and deploy its technology and/or products; • an investee company may encounter technical, clinical or regulatory difficulties that impede the commercialisation and/or deployment of its technology, products or services; • an investee company may suffer a loss of experienced staff, or struggle to recruit the necessary skills and capabilities to support its commercialisation journey; • an investee company may not achieve market acceptance of its products and services; and/or • an investee company may be unable to scale its operations or manage its cashflows. <p>The entities that the Fund invests in are at varying stages of development and inherently carry greater risk. Many of the investments may be deemed speculative in nature.</p> <p>There is a risk that they may not be profitable or that the sustainable profit results in a lower valuation than the valuation at which the Fund invests in those entities. The valuation of early stage investees can be problematic.</p> <p>One or more investee entities in the Fund could suffer financial difficulties and/or fail leading to financial difficulties for the Fund and/or a loss of capital to Investors. Follow-on funding may be required that may dilute the Fund's interest in an investment. This may lead to a loss of capital for Investors.</p> <p>The investees in the Fund are particularly reliant on underlying changes in the economic environment, legislative and regulatory landscape and technological developments relating to selected industry sectors. While the Manager expects these developments to positively impact the investees over the life of the Fund, there is a risk that developments in these areas adversely affect the investees and the Fund. Investees typically compete for a share of a global market for their product, innovation or technology. Global economic changes, including changes in currency markets and the elected industry sectors, may affect positively or negatively these enterprises.</p>
<p>Illiquidity of investments</p>	<p>The investments of the Fund could be highly illiquid and difficult to realise in a timely manner nor at a suitable price. Disposal of investments of the Fund may require a lengthy period of time, potentially exceeding the commencement of the winding-up of the Fund or require investments to be sold for lower than their most recent valuation. Investments of the Fund may be distributed to Investors in the circumstances provided in the Constituent Documents, in which case Investors may become holders of investments of the Fund. The realisation of investments may be subject to a number of factors such as general economic conditions and equity markets.</p>
<p>Currency</p>	<p>The Fund's portfolio may hold investments priced or exposed to foreign currencies. These investments will be exposed to foreign exchange risk which can either positively or negatively impact the investment returns of the Fund.</p>
<p>Interest rate</p>	<p>Changes in interest rates can have a negative impact on the Fund. Reasons for interest rate changes include changes in inflation, economic activity and Reserve Bank policies.</p> <p>Interest rate risk is inherent in the Fund and rate movements will have both a positive and negative impact on the Fund.</p>
<p>Mandate</p>	<p>The Manager will be sourcing new investments in accordance with the investment objectives and parameters they have set for the Fund.</p> <p>Investors will have no direct control over the investments to which the Fund will be exposed.</p>

Counterparty	There are a number of contractual arrangements in place with third parties which facilitate the operation of the Fund and the management of its assets. If counterparties are unable to meet their obligations or perform services to the required standard, the Fund could be adversely impacted.
Valuation	The investments of the Fund may be difficult to value and may not have readily ascertainable values. Investees may not have a readily ascertainable market price and may have valuations that differ from their true and actual realisable value. Prior valuations may differ from current valuations or valuations achieved on exit. The payment of fees to the Manager, the Trustee and the General Partner may occur on the basis of these valuations which may in turn be based on estimates and information from third parties which have not been verified by the Manager, the Trustee or the General Partner.
Past performance of the investees	The prior performance of the investees in which the Fund will invest cannot be relied upon in assessing the merits of investing in the Fund. Further, prior valuation of the investees may vary from current valuations.
Due diligence	Investments will be made in early stage companies which have limited information available for due diligence. As such, some 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. There is a risk that the legal, financial and tax due diligence conducted on investments may not identify all issues associated with the investment that may cause a loss to the Fund.
Litigation	Investees may be subject to litigation or legal proceedings which may have an adverse effect on the value of the Fund's investment and the investee's operations.
Lack of Diversification	The Fund will concentrate on companies and technologies initially and primarily located in Australia. To the extent that the Fund concentrates investments in Australia and New Zealand they will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular region. In addition, the Fund will focus on the healthtech and digital media & entertainment sectors. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavourable performance of these market sectors.
Minority investments	As the Fund is expected to take strategic positions (rather than controlling stakes), there is a risk that the shareholders of an investee and its management may make decisions that the 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 observer's seat in respect of investees.
Limited information	Generally, Investors will not receive any financial information or other information provided to the General Partner or the Manager by entities in which the Fund is or may become invested. Investors will not have the opportunity to consider the type, location and terms of, and other information relevant to, investments of the Fund. However, persons who become Investors at a later stage may have more information regarding investments of the Fund than the other Investors.
Investment strategy	Unfavourable circumstances may affect the Manager's ability to make investments at acceptable prices. The Manager may not be successful in implementing its investment strategy and may not be able to effect improvements to investee company performance.
Leverage	The Fund's portfolio of investees may include companies which have debt in their capital structures. Companies with a leveraged capital structure have increased exposure to rising interest rates, refinance risk, economic downturns and deteriorations in the financial performance of the company. Leverage may also exacerbate losses of the Fund.

Deal flow	Investors will rely on the ability of the Manager to identify investment opportunities either itself or through its networks. Sourcing of deals can be a difficult and lengthy process and is increasingly competitive. No assurance can be given that the Manager will be able to source suitable investment opportunities in which to deploy all of the Fund's capital. Further, the Fund may not be able to fully invest its capital commitments at acceptable prices, may face unfavourable or a low volume of deal flow which may affect its ability to implement the Fund's investment strategy.
Reliance of projections	The financial performance of an investment in 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.
Founder and management	Although the Manager will monitor the performance of each investee, the Manager will not control the day-to-day operations of investees. The Manager will invest in and rely on the ability of the Founder and/ or management team of investees to operate the business and execute on business strategy. The death, disability, resignation or termination of one or more of the people associated with the investee's management team could have a material adverse impact on their business and prospects of the investment made.
Operational	Operational risk exists in all managed funds. The Manager may fail to properly execute the strategy of the Fund or fail to have adequate systems and processes in place to monitor the Fund's investments. It may also fail to manage accounting and distribution processes effectively. The departure of key personnel is always an inherently high operational risk.
Competition	The introduction of new competitors or a more aggressive competitive response from existing participants, holders of relevant intellectual property, or new technologies or market entrants may affect the operating performance and commercialisation trajectory of an investee. There is no assurance that an investee will be able to compete successfully in its marketplace and any increase in competition or disruptive technologies could adversely affect the commercialisation prospects and/or earnings of an investee.

This above list does not purport to be a complete or conclusive examination of the risks in relation to the investments made by the Fund. Prospective investors should read this Memorandum and the Investment Documents in their entirety and seek professional advice before deciding to invest. A return of capital is not guaranteed.

10 Fees and Costs

10.1 Entry Fee & Exit Fee

The Fund does not charge an entry fee or exit fee.

10.2 Management Fee

The Manager is entitled to receive the following management fees as set out in the Constituent Documents and as described in Section 8 'Key Terms' of this Memorandum:

- an amount equal to 2.2% (exclusive of GST) per annum of Fund Capital Commitments until the end of the Investment Period; and
- an amount equal to 2.2% (exclusive of GST) per annum thereafter, of Invested Capital until the winding up of the Fund,

payable and calculated semi-annually in advance commencing on the First Closing Date.

Management Fees are payable to the Manager under the Investment Management Agreement and will be paid from the Fund.

The Manager and its associates may accept lower fees or defer payment of fees for any period. Any deferral will on no way affect the right of the Manager or its associates to receive the applicable fees.

Outside Fees will reduce the amount of Management Fee payable at the beginning of the subsequent half year period after receiving the Outside Fee (and further subsequent half year periods if necessary).

Manager termination fees

The Manager is entitled to be paid all Management Fees which are accrued but are unpaid as at the date or the removal or retirement of the Manager and, where directed to retire by passing of an Extraordinary Resolution, an amount equal to 100% of the aggregate Management Fees that the Manager was entitled to for the previous 12 months (including any accrued but unpaid Management Fees) from the effective date of the removal.

10.3 Carry

The General Partner and Sponsor Unit Holders are also entitled to Carry payable out of the Fund as set out in the Constituent Documents and described in Section 8 'Key Terms' of this Memorandum.

The Carry calculation will take into account capital calls made by the General Partner and the Trustee pursuant to the Constituent Documents and distributions made to participating Investors (including all franking and other tax credits).

Payment of the Carry will not be made until Investors have received their Capital Contributions plus a Preferred Return broadly representing an IRR of 10% per annum (including franking credits/offsets) as set out in the Constituent Documents on a whole of Fund basis.

Thereafter a carried performance of 20% of all distributions (including all franking and other tax credits) of the Fund above the Preferred Return, will be paid to the General Partner and the Sponsor Unit Holders (considered together) across a whole of fund basis.

If a distribution is payable, the allocations to participating Investors is to be determined in accordance with the following payment priority process:

- Return of capital and Preferred Return: Firstly, 100% to participating Investors until they have received their Preferred Return;
- Catch-up: Secondly, then 50% to the participating Investors and 50% to the General Partner and the Sponsor Unit Holders (considered together) until the General Partner and the Sponsor Unit Holders (considered together) have received 20% of the sum of the aggregate Preferred Return amounts of the Investors and the amounts distributed under the Catch-up;
- Split: Thereafter, 80% to participating Investors and 20% to the General Partner and the Sponsor Unit Holders (considered together).

Termination Carry

The General Partner and Sponsor Unit Holders are also entitled to all Carry which has accrued but is unpaid as at the date of the removal or retirement of the Manager, together with 75% of their Carry entitlement in respect of the investments of the Fund that have been made (including those that the Fund is legally obligated to make) at the date of the removal and any follow-on investments into such investment of the Fund if the Manager is removed for cause as set out in the Constituent Documents. Further, where the Manager has been directed to retire by passing of an Extraordinary Resolution the full entitlement to Carry is payable to the General Partner and the Sponsor Unit Holders in respect of the investments of the Fund that have been made (including those that the Fund is legally obligated to make) at the date of the removal and any follow-on investments into such investment of the Fund.

10.4 Trustee fee

The Fund is subject to a minimum monthly Trustee fee of \$3,000 per annum comprising:

- 0.06% per annum on the first \$100 million of total assets in the Fund; and
- 0.01% per annum on total assets in the Fund in excess of \$100 million,
- subject to the minimum monthly fee of \$3,000, which is increased annually by the higher of 3% or the Consumer Price Index, Australia on 1 July each year.

Other fees are payable to the Trustee as set out in the Trust Deed. Fees paid to the Trustee as set out in the Trust Deed may be paid from the assets of the Trust or the Partnership.

Trustee removal fee

The Trustee has been appointed for a minimum period of 4 years as the trustee of the Trust.

The Trustee is entitled to be paid a retirement or removal fee as set out in the Trust Deed if the Trustee:

- is removed as trustee of the Trust within 4 years of the issue of the first Unit by a Special Resolution, other than for removal as a result of the Trustee's cause as set out in the Trust Deed; or
- retires as trustee of the Trust within 4 years of the issue of the first Unit at the request of the Manager in accordance with the Investment Management Agreement other than for removal as a result of the Trustee's cause as set out in the Trust Deed.

The amount of the removal fee is the amount that the Trustee would have received if it had remained the trustee of the Trust for 4 years from the issue of the first Unit. It is determined based on the total assets of the Fund at the time that the relevant removal or retirement occurs.

If this removal fee becomes due, then it will be immediately due and payable to the Trustee from the assets of the Fund.

10.5 Administrator and Registrar fees

The Administrator and the Registrar both separately receive fees for their services to the Fund as set out in their respective agreements with the General Partner and the Trust.

The appointments of the Administrator and the Registrar are for a minimum of 4 years unless the Fund is wound up earlier. If the Trustee and/or General Partner terminates the engagement of the Administrator or the Registrar without cause within 4 years of the date of their appointment, the Administrator and the Registrar will each also be entitled to be paid termination fees as set out in their respective agreements.

10.6 Establishment costs and ongoing expenses

The Trustee, the General Partner and the Manager have the right to recover all expenses incurred in the performance of their duties in respect of the Fund.

These expenses include, but are not limited to, costs, disbursements and expenses associated with the establishment and termination of the Fund, amending or replacing the Constituent Documents, the production and circulation of this Memorandum or other disclosure and marketing documents of the Fund, anti-money laundering and counter terrorism financing (**AML/CTF**) and other 'know your client' related expenses, ESVCLP registration costs, the Common Reporting Standard (**CRS**) checking fees, Fund assets and income calculation, convening and holding meetings of Investors and implementing any resolutions passed at meetings, custody fees, fund administration fees, investment accounting, audit and registry fees, costs incurred in the acquisition, holding and disposal of investments (for example, specific transaction fees), Fund tax returns, postage, confirmation advices, notices, reports and other documents, complying with any law and request, policy or requirement of ASIC, IISA or any other regulatory authority, and any agent or delegate of the Trustee, General Partner or Manager (including the Administrator).

If any of these costs are paid by the Manager, General Partner or Trustee, the Manager, General Partner or the Trustee (as applicable) will be reimbursed out of the Fund's assets for all such costs.

10.7 GST

Unless otherwise stated, all fees quoted in this Memorandum are quoted exclusive of GST. Where applicable GST will be applied.

10.8 Fee Changes

The Trustee, General Partner and the Manager reserve the right to negotiate fee arrangements with individual Investors. Discounts, rebates, waivers, deferrals or fees for special services may be applied to individual Investors outside of the arrangements stated above based on the nature and amount of an Investor's investment.

11 Investing in the Fund

11.1 Application Form

To invest in the Fund, simply complete the Application Form which is available online at www.olivia123.com/dreamoro-ventures-pty-ltd/dreamoro-ventures-fund-1.php, specify your Capital Commitment to the Fund in \$AUD (noting minimum investment amounts specified in this Memorandum) and provide all the information requested within and send as follows:

Dreamoro Ventures
c/- One Investment Group
Level 16, Governor Macquarie Tower,
1 Farrer Place
Sydney NSW 2000
info@oneregistryservices.com.au

The General Partner, the Trustee and the Manager are under no obligation to accept an Application Form or other application to invest in the Fund and reserve the right to reject any Application Form or other application to invest in the Fund, to allocate a lesser capital commitment than the amount that has been requested or to aggregate multiple applications from a prospective investor. In the event that an Application Form or other application to invest in the Fund is rejected or not accepted in full, the Manager will inform the prospective investor that no, or a reduced, capital commitments are required.

The Manager will inform you of the cut-off date and times for a closing date. Depending on when your Application Form is received, the Manager will inform you of the relevant closing date in respect of which your application has been accepted. No applications will be accepted 20 Business Days after the Final Close Date. You will receive confirmation when your application is accepted.

Application monies for your capital commitment will be called by the Manager or the Trustee or the General Partner (as the case may be) pursuant to a call notice under the Constituent Documents. The Manager, the Trustee and the General Partner reserve the right to require Investors to provide up to the full amount of their capital commitment up front at the time the Application Form is accepted. Throughout the life of the Fund you may be called for your capital commitments with 10 Business Days' prior notice. Where you fail to meet this call within the specified time you will become a defaulting investor and remedies will be available to the Manager, the Trustee, the General Partner and the Fund under the Investment Documents and your rights as an Investor will be suspended.

The Manager may at any time decide to withdraw this Memorandum and the Fund may at any time withdraw the offer to subscribe for Partnership Interests and Units.

Investors may increase their investment at a subsequent close prior to 20 Business Days after the Final Close Date via an additional Application Form subject to acceptance by the [Manager]. The Application Form and any notice of call (to pay your capital commitment) will specify the account details for payment by electronic funds transfer (**EFT**) from your financial institution account. There are no cooling off rights as this is a wholesale fund. Lodged Application Forms cannot generally be withdrawn without the Manager's consent.

It is anticipated the term of the Fund will be at least 10 years from the First Closing Date and up to 13 years if all extensions are applied as outlined in the Constituent Documents. You will have no right to have your interests redeemed until the winding up of the Fund. Nor may you transfer your investment to another person except with the consent of the Manager, the Trustee and the General Partner, which may be withheld by the Manager, the Trustee and the General Partner in their absolute discretion. This means that once your Application Form is accepted, you will not be able to redeem your investment in the Fund. As a result, you should not invest in the Fund if such a long term and illiquid investment is not suitable for your specific circumstances.

12 Additional Information

12.1 Licensing

Neither the General Partner nor the Manager currently holds an AFSL.

One Wholesale Fund Services Ltd ACN 159 624 585, 426503) (**Licensee**) has appointed:

- the General Partner as its corporate authorised representative (Corporate Authorised Representative No. 00136275); and
- the Manager as its corporate authorised representative (Corporate Authorised Representative No. 001306000).

The Licensee has entered into an Intermediary Authorisation Arrangement with the Partnership, authorising the Licensee to make offers to arrange for the Partnership to issue, vary or dispose of interests in the Partnership pursuant to the provisions of section 911A(2)(b) of the Corporations Act.

In its capacity as corporate authorised representative of the Licensee, the Manager will undertake the day-to-day management of the Fund.

The Trustee is the holder of Australian Financial Services licence number 493421.

12.2 Administration and Registry

The Trustee and the General Partner have each appointed the Administrator to provide administration services to the Fund, including maintaining the Fund's financial records, preparing financial reports, facilitating the annual audit of the Fund and publishing the Fund's Net Asset Value per Unit as requested by the Trustee and the General Partner (as the case may be). The Administrator will be paid fees for this service from the Fund.

The Trustee and the General Partner have each appointed the Registrar (a related company of the Trustee) to provide registry services in respect of the Fund, including maintaining the register of Investors. The Registrar will be paid fees for this service from the Fund.

The Administrator is a company associated with the Trustee and the Registrar is a related party of the Trustee and the Licensee. The agreements with the Administrator and the Registrar have been negotiated at arms' length.

The Trustee and the General Partner have appointed these parties in consultation with, and with agreement from, the Manager.

The fees payable to the Administrator and the Registrar are based on their standard schedule of fees charged for similar services. These fees are detailed in their respective agreements with the General Partner and the Trustee. Under these agreements, the Trustee in its capacity as trustee of the Trust and the General Partner as general partner of the Partnership has agreed to indemnify and hold harmless the Administrator and the Registrar against any liability, actions, proceedings, claims, demands, costs or expenses in connection therewith which may be incurred by in carry out their appointed services.

12.3 Pricing

Unit and Partnership Issue pricing occurs on a semi-annual basis as at the last Business Day of each period (**Valuation Day**). The Net Asset Value of the Fund includes the value of income accumulated since the previous distribution date of the Partnership and the Trust.

Unity Fund Services Pty Limited (ACN 146 747 122) has been appointed by the General Partner to act as administrator of the Partnership and by the Trustee to act as administrator to the Trust (**Administrator**). The Administrator is associated with the Trustee.

The Administrator acting reasonably will determine the Net Asset Value (although it does not value the assets) of the Fund. In determining the Net Asset Value of the Fund, the Administrator will follow the valuation policies and procedures adopted by the Manager which are summarised below. For the purpose of calculating the Net Asset Value of the Fund, the Administrator will be entitled to rely on, and will not be responsible for the accuracy of, financial data furnished to it by market makers and/ or independent third party pricing services, where this is relevant to an asset of the Fund. The Administrator may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets.

It is the Manager's, the Trustee's and the General Partner's intention to carry investments at a calculation under the accounting policies or such other valuation methodology selected by the Manager, the Trustee and the General Partner in their discretion which they determine to be relevant to Investors. For example, where an independent third party invests into an investee of the Fund at a different valuation, the Manager, the General Partner and the Trustee will follow the Manager's Valuation Policy and may revalue these investments based on such third party transaction (deemed a 'recent transaction') or based on applicable valuation methodologies, other recent or secondary sales of interests in the relevant investment, comparable industry transactions or any other method the Manager, the Trustee and the General Partner considers appropriate, acting in a reasonable manner. These valuations are no guarantee of, and may differ from, the actual realisable value of an investment.

Each investment will be valued to determine the appropriate carrying value of the investment, pursuant to the Manager's Valuation Policy, which includes methods and procedures the Manager, the Trustee and the General Partner considers appropriate, acting in a reasonable manner and is consistent with industry practice and with reference to International Private Equity and Venture Capital Valuation guidelines and other relevant commonly accepted valuation practices. This Valuation Policy is available on request from the Manager.

12.4 Distribution Priority

Distributions by the Fund may be made at any time of the discretion of the General Partner or the Trustee (as the case may be) and are expected to be made following the realisation of a Fund investment.

Distributions by the Fund are to be allocated among Investors by reference to the paid-up proportions of their interests and then made in accordance with the order of priority set out in detail in the relevant provisions of the Constituent Documents and summarised in Section 10.3 'Carry'.

Distribution payments will be made by direct credit to an Investor's nominated account with a financial institution. No distribution payments will be made to third parties or by cheque.

None of the Fund Parties guarantees the declaration and amount of any distribution.

12.5 Privacy

Information provided by applicants on the Application Form is collected for the primary purpose of issuing Partnership Interests and Units.

The information will also be used to forward to you periodic information relating to your investment in the Fund and from time to time provide to you information of a generic or marketing nature relating to the Fund.

Your personal information will not be made available to any third party, other than as required by law and to service providers for permitted related purposes (for example, auditors, consultants and advisers) for the purpose of administering the investment.

The privacy policy for the Manager and the General Partner is found at <https://www.dreamoro.com.au/privacy>

A copy of the Trustee's Privacy Policy is available on www.oneinvestment.com.au and a paper copy will be sent to you free of charge on request.

The privacy policy for the Administrator is found at www.unityfundservices.com.au.

The privacy policy for the Registrar is found at www.oneregistryservices.com.au/.

By executing the Application Form, you provide your consent to the Fund Parties to disclose your information to such service providers and to use your information for the purposes referred to above. If you wish to request access to your information or if you have any complaint in relation to the manner in which the Fund Parties have handled your information, please contact the Manager.

12.6 AML/CTF

Applications to invest in the Fund are subject to the requirements of AML/CTF laws and the Manager, the Trustee and the General Partner's requirements.

Investors must provide verification of their identity and that of any beneficial owner in accordance with AML/CTF laws. Please refer to the Application Form to determine which documents you will need to provide. The General Partner, the Trustee and the Manager (or the Administrator on their behalf) may also need to obtain additional information and documentation from you when undertaking transactions in relation to your investment. The General Partner, the Trustee and the Manager may need to identify:

- A prospective investor in the Fund prior to subscribing for Partnership Interests or Units. In some instances, such as the case of determining the beneficial owner of the investor, the General Partner and the Trustee may request additional information. The General Partner and the Trustee will not issue Partnership Interests or Units (as the case maybe) until all relevant information has been received and your identity has been satisfactorily verified;
- your estate - if you die while you are the owner of Partnership Interests or Units or have a Capital Commitment, the General Partner and the Trustee may need to identify your legal personal representative prior to redeeming your interests (where permitted) or transferring ownership; and
- anyone acting on your behalf, including under a power of attorney.

In some circumstances, the General Partner, the Trustee or the Manager (or the Administrator on their behalf) may need to re-verify this information.

By applying to invest in the Fund, you also acknowledge that the General Partner, the Trustee and the Manager may decide to delay or refuse any request or transaction, including by suspending the issue or redemption of interests in the Fund or payment of proceeds, if it is concerned that the request or transaction may breach any obligation of, or cause them to commit or participate in an offence under, any applicable anti-money laundering and counter terrorism financing law, and no Fund Party will incur any liability to you if it does so.

Application monies must be given by EFT. If applicants wish to transfer funds from a foreign bank, additional documentation may be requested and the application will not be processed until satisfactory documentation has been provided to the General Partner, the Trustee and the Manager (or the Administrator on their behalf). The General Partner, the Trustee and the Manager reserve the right to reject an application and without providing any reason.

If you apply through a financial planner or other advisor, they may assist you to obtain the necessary documentation and provide it to us.

12.7 FATCA and CRS

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with relevant FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the ATO. In order for the Fund to comply with relevant obligations, the Fund Parties will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). The Fund Parties will only use such information for this purpose from the date the Fund is required to do so.

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Fund Parties may be a 'Reporting Financial Institution' under CRS and intend to comply with their CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

The Fund Parties are unable to provide you with any tax or professional advice in respect of CRS, FATCA or the IGA and you are encouraged to seek the advice of a tax or professional advisor in relation to completing the form.

12.8 Wholesale Clients

The Partnership is an Australian resident close-ended incorporated limited partnership and each Trust will be an unregistered Australian managed investment scheme and are not required to be, nor are they, registered under the Corporations Act. An investment in the Fund is only available to Wholesale Clients.

If you are applying for \$500,000 or more you'll be automatically deemed a Wholesale Client and no additional documentation is required.

If you are investing less than \$500,000, the easiest way to establish that you are a Wholesale Client is to arrange for your accountant to provide an Accountant's Certificate that is no more than 24 months old certifying that:

- the investor themselves has the **Required Net Assets** or the **Required Gross Income**
- together with any trusts or companies the investor controls, the investor has the Required Net Assets or the Required Gross Income; or
- the investor is a trust or company controlled by a person who has the Required Net Assets or the Required Gross Income.

Required Net Assets means net assets of at least \$2.5 million.

Required Gross Income means for each of the last two financial years, at least \$250,000 a year.

There are other ways that you can qualify as a Wholesale Client, including:

- you hold an Australian financial services licence or
- you provide a statutory declaration that you meet any of the other categories of wholesale client. These include that you:
 - are a person regulated by the Australian Prudential Regulation Authority (other than a trustee

of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme)

- are a trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth) with net assets of at least \$10 million
- control at least \$10 million for the purposes of investment in securities (including any amount held by an associate or under a trust that the investing entity manages)
- are a manufacturer and employ 100 or more people
- are an investing entity that is not a manufacturer but employs 20 or more people or
- are a listed entity, or a related body corporate of a listed entity.

Please contact the Registrar if you need assistance in providing the appropriate documentation to certify that you are a Wholesale Client.

12.9 The Constituent Documents

Your legal relationship as an investor in the Fund as a Limited Partner and as a Unitholder is governed by the Constituent Documents (being the Partnership's Limited Partnership Deed and the relevant Trust Deed for the Trust) together with this Information Memorandum, the Application Form and certain financial services laws. Some provisions are discussed elsewhere in this Information Memorandum, and others include:

- the nature of Partnership Interests and Units
- the General Partner and Trustee's powers and how and when they can be exercised
- when and how the General Partner, the Trustee and the Manager will be liable and are entitled to be indemnified out of the assets of the Fund for any liability incurred by each in relation to the Fund including any liability incurred because of a delegate or agent;
- when and how the General Partner, Trustee and the Manager can retire or be removed
- when the Fund terminates (if it does the relevant investors share the net proceeds on a pro-rata basis, adjusted for any liabilities)
- changing the Constituent Documents (how and when this can occur) and
- calling Investor meetings.

By signing and submitting an Application Form, or any other or an additional investment form (howsoever described), an Investor is taken to have read, understood and accepted the Constituent Documents and agrees to be bound by the terms of this Memorandum and the Constituent Documents as amended from time to time.

An Investor should consider the terms of the Constituent Documents before investing. A copy of the Constituent Documents is available from the Manager free of charge.

Each Investor indemnifies the Fund and the General Partner and Trustee for all liability arising directly or indirectly from the Investor's breach of its obligations to the Fund and under the Constituent Documents, this Information Memorandum and the Application Form. This indemnity is in addition to any indemnity under law and continues to apply after the defaulting investor ceases to be an investor in the Fund.

12.10 Transferring your Partnership Interest and Units

You may only transfer your Partnership Interests and Units with the consent of the Manager who can refuse to register transfers and need not give reasons.

Any permitted transfer of an Investor's interest in the Fund must include the same proportion of Units and Partnership Interests held by the Investor to the same transferee unless otherwise agreed by the Trustee (in respect of Units) and the General Partner (in respect of Partnership Interests) in their absolute discretion.

12.11 Terminating the Fund and winding up

The Fund will terminate after the Fund Term.

After termination, the General Partner and the Trustee will wind up the Partnership and the Trust respectively in accordance with the relevant Constituent Document. Generally the General Partner and the Trustee will realise all the investments of the Fund, pay all monies owing (including fees and expenses), and distribute the net proceeds to Investors as appropriate as soon as it considers practicable.

The General Partner and the Trustee can distribute assets other than cash as set out in the relevant Constituent Document and may first deduct any moneys an Investor owes. It can take some time to finalise this process.

12.12 Limits on your responsibility

The Constituent Documents limit your liability to any unpaid part of your Capital Commitment and payments owing under the Constituent Documents in connection with being a defaulting investor and provides that you need not indemnify the Fund if there are not enough assets to meet the claim of any creditor of the Fund.

In the absence of separate agreement with an Investor, the General Partner and Trustee's recourse and any creditor is limited to the Fund assets.

However, the Manager, the General Partner and the Trustee cannot give you an absolute assurance about these things – these issues have not been finally determined by Australian courts.

12.13 Investment Management Agreements

Each of the General Partner and the Trustee has entered into an Investment Management Agreement with the Manager under which the Manager provides investment management services to the Fund. The Investment Management Agreements contain provisions dealing with matters such as the Manager's obligations to manage the Fund's portfolio of assets and to report to the General Partner and the Trustee. The agreements also set out the fees payable to the Manager for its services.

The Investment Management Agreements will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee (in the case of the Trust) and the General Partner (in the case of the Partnership) if the Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee (in the case of the Trust) and the General Partner (in the case of the Partnership) to terminate if, for example, the Manager becomes insolvent. The Manager is permitted to terminate the agreement in certain circumstances.

The Trustee and the Manager are not related parties and the Investment Management Agreement has been negotiated at arm's length. The General Partner and the Manager are related parties and the Investment Management Agreement has been negotiated on an arm's length basis.

If by reason of:

- (i) market movements;
- (ii) contributions to or withdrawals from the Fund;
- (iii) a change in the nature of any investment (whether through change in business activity or credit rating);
- (iv) a change in the law including a change in the ESVCLP Rules which affects the Fund; or
- (v) an interpretation of the ESVCLP Rules which is inconsistent with an investment decision taken by the Manager in respect of the Fund,

the Fund ceases to comply with the Fund's investment strategy, the Manager must remedy the non-compliance to the extent possible in respect of the particular restriction, as soon as practicable after the Manager becomes aware of the non-compliance. If remedied in accordance with relevant timeframes set out in the relevant law then the Manager will be deemed to have remedied the non-compliance as soon as practicable and the non-compliance will not constitute a breach of the Investment Management Agreement.

12.14 Conflicts of interest and related parties

Subject to the Corporations Act and the Constituent Documents, the Fund Parties and their employees, officers, advisers and associates may from time to time:

- act in various capacities (such as adviser, service provider, manager, responsible entity/trustee and general partner to another fund vehicle) in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be aligned or in competition with the interests of Investors;
- deal with each other in relation to the Fund (such as the Fund acquiring investments from other funds managed by the Manager or the Investment Team) in which case the dealing will generally be on arm's length terms or approved by Investors;
- invest in and deal in any capacity, with the same investments as that of the Fund, on similar or different terms;
- receive fees and Carry from the Fund;
- in the case of the Manager, the Investment Team and their associates, invest in the Fund via the Manager Participation, waive Late Capital Interest in respect of same and reserve the right to call any unpaid Capital Commitments in connection with the Manager Participation at different times and to a different paid up proportion to other Investors;
- establish investment vehicles that may co-invest in the investments of the Fund; and
- recommend that investments be purchased or sold, on behalf of the Fund, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients.

The Manager's related party, Dreamoro Studio, may also be engaged as a service provider to the Fund's investees and will be remunerated for its service via fees or equity paid by the investee company. All such engagements will be on arm's length terms.

The Manager will also utilise the related party, Dreamoro Studio, to undertake technical and commercial due diligence of prospective investee companies with fees for these services to be funded by the Manager from its Management Fees, which are paid out of the Fund.

The Manager may aggregate orders or investment allocations of the Fund with all of the other accounts that it manages.

The Manager has established internal policies and procedures to identify and appropriately manage any conflicts of interest arising in relation to the Fund.

Where the Manager considers that a particular conflict of interest is likely to have a materially adverse effect on Investors that it has not previously disclosed, it will seek to implement adequate arrangements to mitigate and prevent (where practicable) adverse effects on Investors. In certain cases, the Manager may disclose the conflict of interest to Investors and proceed in the context of that conflict of interest.

The information set out below identifies some specific areas where potential conflicts may arise.

- **Co-investment opportunities**

The Manager in consultation with the investee company may seek to offer co-investment opportunities to Investors with Capital Commitments of over \$1 million in the Fund or another amount as determined solely by the Manager. The Manager has ultimate discretion as to the amount of co-investment rights that are offered to Investors, in which Investors are able to participate and whether other strategic investors should be preferred over co-investors. Further, the terms on which co-investments are made may be different to the terms on which Investors invest into the Fund.

- **Other clients of the Manager**

The Manager may act as the trustee, responsible entity, manager or general partner for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to its obligations and duties in relation to the Investors.

The opportunity to co-invest with the Fund may be offered to other clients of the Manager and may occur on terms which are different to the Fund. In addition, the Manager may give advice and take action in the performance of its duties to other clients which differs from advice given and action taken in relation to the Fund.

- **Subsequent fund and investment by the Manager**

The Manager will not raise a subsequent fund with the same or similar investment mandate for the time period described in the Key Terms (set out at Section 8 'Key Terms').

Any subsequent fund may participate in the same investment opportunities as the Fund.

Until a subsequent fund may be established, the Fund will receive the first right of refusal on all opportunities that the Manager, its executives and staff receive on a personal and professional basis that are consistent with the investment strategy of the Fund.

In addition to the Manager Participation, the Manager and / or its executives and employees may separately invest or co-invest on a proprietary basis in investments where: the investment is outside the investment objectives of the Fund, the investment does not align with the Fund's investment strategy, the investment is a strategic investment of the Manager's business or the investment is, as at the date of this Information Memorandum, related to an investment of the Manager, its executives or employees or an investment currently managed by the Manager.

- **OIG related parties**

The Trustee, the Licensee, the Administrator and the Registrar are associated with or related parties and members of the OIG group. Any agreements between the Trustee and the Administrator and Registrar are negotiated at arms' length.

12.1 Other matters

The Information Memorandum (as updated, supplemented or replaced from time to time) is the one which governs your investment, together with the Constituent Documents and the Application Form. If the Manager issues a new Information Memorandum, a copy will be made available to each Investor. You should read it carefully. Copies are always available by contacting the Manager.

The offer made in this Information Memorandum is available only to persons who may legally receive this Information Memorandum (electronically or otherwise).

You must provide the Manager, the General Partner and the Trustee in a timely way all information

that they reasonably request or which you suspect that they should know to perform their functions (for example, regarding your identity or the source or use of invested moneys – if you do not, the Manager, the General Partner or the Trustee may refuse to issue Partnership Interests and Units to you and/or redeem your investment).

The Fund is currently not registered with the ASIC. ASIC takes no responsibility for the contents of this Information Memorandum.

12.2 Complaints

The Manager is committed to resolving all complaints fairly, timely and effectively. In the first instance, if you have a complaint, then you should notify the Manager immediately using the contact details on the back page.

13 Taxation

13.1 Overview

This section of the Information Memorandum is a brief guide on the Australian tax considerations that are applicable to the Partnership as an ESVCLP, the Trust and the Investors as limited partners in the Partnership and unitholders in the Trust.

The comments are not applicable to Investors who are (i) exempt from income tax in Australia; (ii) invest or trade in units or partnership interests in the ordinary course of their business or otherwise hold the units or partnership interests on revenue account; or (iii) are subject to Division 230 of the Income Tax Assessment Act 1997 (i.e. the Taxation of Financial Arrangements regime) or other special rules. or (iv) are partnerships; or (v) are under a legal disability; or (vi) are superannuation funds; or (vii) are subject to the Investment Manager Regime rules in Subdivision 842-I of the Tax Act; or (viii) are banks, insurance companies or other financial organisations; or (ix) are foreign residents, temporary residents, tax exempt entities or change residency after starting to hold units or partnership interests as a resident.

This guide is necessarily general in nature and is not intended to be either a definitive or exhaustive statement of all tax considerations that may be applicable. It does not constitute tax advice and cannot be relied on as such.

This guide is based on the current Australian judicial interpretations and the administrative practices of the Australian taxation authorities at the time of this Information Memorandum. Investors should be aware that the ultimate interpretation of the Australian tax law rests with the Australian courts, and that the law and the way that the Australian taxation authorities administer the law, may change over time.

Users of this guide must take full and sole responsibility for your investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

In particular, the guide does not take into account the specific circumstances of any Investor. Prospective Investors should therefore obtain professional tax advice that takes into account their specific circumstances before making the decision to invest, including in applicable foreign jurisdictions.

13.2 General

You may need to pay tax in relation to your investment in the Fund, but you might be able to claim some tax credits or have the benefits of some concessions. As noted above, your tax liability will depend on your personal circumstances and you should seek professional advice before you invest or deal with your investment in the Fund.

Interest and other income received by the Fund which arise from 'debt interests' advanced by the Fund (including on "permitted loans") will generally be subject to Australian income tax (or withholding tax when paid to foreign Investors) in accordance with ordinary tax principles.

In certain circumstances Investors may be subject to tax on an amount which exceeds the cash distributions they receive from the Fund in a given year (e.g. where an amount is reinvested or paid in a subsequent period).

The Manager will send you the information you need each year to complete your Australian tax return.

13.3 Partnership

(a) Taxation of the Partnership

The following general comments are provided to give an overview of the tax treatment of ESVCLPs.

A limited partnership which is unconditionally registered as an ESVCLP under Venture Capital Act that continues satisfy requirements of these rules (which the Partnership is intending to do) is generally treated as an ordinary partnership rather than a “corporate limited partnership” for Australian tax purposes and therefore subject to ‘flow-through’ tax treatment.

As a result of the ‘flow-through’ tax treatment, an ESVCLP is generally not subject to Australian income tax in its own right; but rather, the income, profits, gains and losses of the ESVCLP should be treated as having been made by each the limited partners (in their respective proportions), with any consequential tax implications (including access to any concessions discussed below) determined according to the tax profile and circumstances of each limited partner.

(b) Taxation of Investors in the Partnership

Australian residents

Subject to certain conditions, a limited partner’s ‘flow-through’ share of any income (e.g. distributions) derived by an ESVCLP in respect of an EVCI such as dividends or interest should generally be exempt from Australian income tax.

A limited partner’s share of any revenue or capital gains arising from the disposal of an EVCI which had been held by the ESVCLP for at least 12 months are partially disregarded or statutorily exempt from any Australian income or capital gains tax (**CGT**).

Broadly, where the total assets of an EVCI exceeds \$250 million during the ESVCLP’s ownership, the ESVCLP is deemed to have a cost base equal to the market value of the investment when the threshold was exceeded (with any incremental gain ineligible for the statutory exemption). A gain made above this threshold is taxable in the hands of the limited partners. Whether this gain is on revenue or capital account will depend on the facts and circumstances at the time of the disposal. The Manager will provide advice to limited partners at that time.

However, any loss arising from the disposal or realisation of an EVCI by the ESVCLP is also generally disregarded for Australian income tax purposes.

Foreign residents

Limited Partners, who are not Australian residents, can also generally disregard any capital gains or losses from EVCI for Australian tax purposes unless the EVCI is taxable Australian property (**TAP**). An EVCI should be TAP for Australian tax purposes where:

- the market value of the assets of the EVCI is mainly attributable to Australian real property; and
- a limited partner (and their associates) own 10% or more in the EVCI.

The EVCI is not expected to be TAP for Australian income tax purposes. As such, prima facie, foreign residents should not be subject to Australian tax on any capital gains/losses. The Manager will provide advice to limited partners at that time.

ESVCLP 10% Non-refundable Tax Offset

A tax offset (which can reduce the tax liability of a taxpayer) equal to 10% of a limited partner’s capital invested in an ESVCLP during an income year is generally available to eligible investors. The amount of the tax offset is reduced to the extent that the amounts contributed by the limited partners are not, in effect, used by the ESVCLP to make EVCI within that income year or the first two months after the end

of that income year.

The tax offset is non-refundable, however where it exceeds the taxpayer's tax liability for the income year, the excess may be carried forward to be available in a subsequent income year.

Where a limited partner is itself a 'flow-through' entity (e.g. a partnership or trust), the offset is may be made available to the ultimate individual, partners or beneficiaries in their respective fixed proportions or otherwise as determined by their partnership or trustee (as the case may be) where the entitlements are not fixed (e.g. family trust). An Investor should obtain advice relevant to their own circumstances.

13.4 Managed Investment Trust (MIT) regime

To the extent possible, it is the Manager's intention to seek to ensure that the Trust qualifies as a MIT and, where this is the case, the choice will be made to treat the gains and losses from all eligible assets (which broadly excludes financial or debt instruments) of the MIT as being capital gains or capital losses under the capital gains tax (**CGT**) regime. The Trustee may also consider whether it is desirable to elect that the Trust be treated as an attribution MIT (**AMIT**). An AMIT provides certain administrative benefits for both the Manager and Investors but should not materially change the tax outcomes for Investors.

The taxation comments that follow are made on the assumption that the Trust qualifies as a MIT and the Trustee will exercise an election in relation to the Trust to treat any gains or losses arising in respect of eligible assets to be taxable exclusively under the CGT regime.

(a) Taxation of the Trust

It is intended that the Trustee will for tax purposes make the Investors presently entitled to the net income of the Trust in each income year and distribute the distributable income of the Trust in accordance with the terms of the Constituent Documents. As a result, the Trust should be treated as a "flow through" entity for Australian tax purposes such that no Australian tax should be payable by the Trustee (subject to the comments below in relation to non-resident Investors).

A MIT for Australian income tax purposes is an Australian trust that meets certain requirements (including licensing requirements and "widely-held" requirements and does not breach "closely-held" restrictions).

However, if the Trustee is able to control (whether directly or indirectly) the affairs or operations of an investee entity that carries on a trading business (broadly, any business that is not an investment business), the Trust may constitute a public trading trust and be taxed as a company. It is the intention of the Manager to seek to ensure that the Trust will not at any stage constitute a public trading trust and the taxation comments that follow are on that basis.

If the Trust makes a loss in an income year, the loss cannot be distributed to Investors. Rather, the Trust may carry the loss forward and take it into account in calculating its net income for tax purposes in a subsequent income year subject to quite specific trust loss recoupment provisions in the tax law. Among other things, the trust loss provisions may prevent the Trust from taking a loss into account if the Trust experiences a greater than 50% change of ownership between the income year when the loss was made and the income year when the Trust would otherwise take the loss into account.

A Trust which is a MIT may make an irrevocable election to be an AMIT if it is eligible to do so. Under the AMIT regime, a Trust must attribute income (including any capital gains) to Investors on a fair and reasonable basis for each relevant financial year.

Having regard to the expected activities of the Trust, it is expected that the Trust will not be liable to pay Australian income tax, and it is intended that each financial year the Unitholders will be made presently entitled to all of the taxable income of the Trust or, where the Trust is an AMIT, all of the taxable income of the Trust will be attributed to Unitholders in accordance with the AMIT rules and the Trust Deed. If, for any reason, there is income within a Trust that is not distributed (or attributed) to any

Investors, the Trust may be taxed at the highest marginal tax rate in respect of this income.

(b) Taxation of Australian Resident Investors in the Fund

Distributions by the Trust

An Australian resident Investor must include in its assessable income for an income year its share of the net income of the Trust for tax purposes to which the Investor is presently entitled in that income year (regardless of when or if that share of net income is distributed to the Investor). Therefore, Unitholders in the Trust may have a tax liability when they receive (or are attributed) distributions or are otherwise made 'presently entitled' to income from the Trust.

The amount of any tax liability will depend on what makes up the distributions, and on each Unitholder's individual circumstances. Distributions could be comprised of income (for example, dividends and interest), net capital or revenue gains (from the realisation of portfolio investments), tax credits (for example, franking credits attached to dividend income and credits for tax paid on foreign income) and tax deferred income.

As the Manager intends that the CGT regime will apply to gains and losses made by the Trust from eligible investments, capital gains made by the Trust from the realisation of eligible investments that are held for at least 12 months may qualify for the CGT discount. This means that, for Australian tax purposes, the Australian resident Investor may be able to reduce the amount of taxable capital gain (after the application of capital losses) by 50% in the case of an individual or trust, or 33.1/3% in the case of a complying superannuation entity.

An Australian resident Investor may be required to include an additional amount equal to the franking credits attached to a franked dividend to which the Investor is presently entitled in the Investor's assessable income and may be entitled to a tax offset (and, possibly, a tax refund) in respect of such franking credits (provided the Trust qualifies as a 'fixed trust').

To the extent that a distribution includes a return of capital, it will not generally be assessable income. Instead, the return of capital will reduce the cost base of an Investor's Units. If the return of capital reduces the cost base of the units to nil, then any further return of capital will be assessable as a capital gain. This is also relevant to the CGT treatment of a redemption or transfer of Units.

Disposal of Units

You may have a tax liability when you exit from the Fund.

The tax treatment of an Australian resident Investor on redemption or transfer of Units will depend on whether the Units are held on revenue or capital account by each Investor.

Broadly, any gains made on units held on revenue account will be assessable as ordinary income and any losses will be allowable as deductions. In contrast, any gains made on Units held on capital account would be subject to the CGT regime in a similar way to that described above.

Where the disposal is on capital account, Australian residents should include any net capital gain arising from the disposal of the relevant asset in their assessable income. Net capital gains arise to the extent the proceeds exceed the Investor's cost base of the disposed interest (or a capital loss may arise to the extent proceeds are exceeded by reduced cost base of the interest).

As above, discount CGT treatment may be available to Australian Investors who are individuals, trusts or superannuation funds (but not companies) where the relevant interest was held for more than 12 months.

If the relevant Australian Investor holds their interest on revenue account, such gains would not be eligible for discount CGT treatment.

(c) Taxation of Non-Resident Investors in the Fund

Distributions by the Trust

The Trust may withhold tax from the Australian sourced income to which non-resident Investors are presently entitled and certain distributions made to non-resident Investors. The rate of withholding will depend on what makes up the distributions, and the availability of any double-tax agreements.

The rates of withholding tax are as follows:

Table 1: Rates of withholding tax

Type of Income/Distribution	Rate of Tax
Interest	10%
Franked Dividends	Nil
Unfranked Dividends	5-30% (1)
Capital gains from the disposal of direct and indirect interests in Australian real property and mining rights	15/30% (2)
Capital gains from the disposal of other assets	Nil

- (1) Depending on whether the Investor is a resident of a country with which Australia has entered into a double tax agreement (DTA) and the particular terms and application of the DTA to that Investor.
- (2) For distributions of capital gains from the Trust that are from the sale of shares in entities which are indirect Taxable Australian Real Property, a MIT withholding rate is 15% where the Investor is resident in a country that has a tax information exchange agreement with Australia. For other investors not resident in countries which have a tax information exchange agreement with Australia, the MIT withholding rate is 30%. The investment mandate of the Fund is such that investments are unlikely to include investments which are either direct investments in Australian land or investments in shares which are indirect Taxable Australian Real Property interests. To the extent such investments are made, the Trustee will provide advice at the time.

13.5 Disposal of Units

Broadly, any gain made by a non-resident Investor on the redemption or transfer of Units held on revenue account will be assessable as ordinary income if the gain has an Australian source. The source of the gain will depend on a number of factors, including the place of contract to acquire and redeem or transfer the units and the place of any activities relevant to the holding of the units. Further, the terms of any relevant DTA should be taken into account.

On the other hand, any gain made by a non-resident Investor on the redemption or transfer of units held on capital account should not be subject to Australian tax if the non-resident Investor's interest in the Trust is less than 10% (broadly, at all times during the previous 24 months, and including any interests held by associates) or the value of the Trust's assets is not principally referable to Australian real property (which the Manager expects to be the case).

13.6 GST

(a) Acquisition or disposal of investments by the Fund

The Fund should not be subject to any GST in respect of the acquisition or disposal of its investments to the extent that those investments will be in shares. However, GST may be payable on the acquisition of other assets. Cash distributions from the Fund to Investors should not generally be subject to GST.

The Fund may also be required to pay amounts on account of GST incurred on certain fees, costs, charges, expenses and outgoings incurred in connection with the acquisition or disposal of its investments, and the management of its affairs. Depending on the nature of those fees, costs etc, the Fund may not be able to recover from the Australian Taxation Office their associated GST costs in the form of “input tax credits” or “reduced input tax credits” (**RITCs**).

Where the Fund is denied from recovering GST under the general rules, as a concession it may be entitled to RITCs (either 55% or 75% of the otherwise unrecoverable GST) in respect of certain categories of expenditure.

(b) Acquisition or disposal of interests by the Investors

Investors should not be subject to any GST in respect of the acquisition or disposal of their interests in the Fund. However, Investors should seek their own tax advice to determine whether any GST incurred on costs (such as third party advisory fees) in connection with the acquisition or disposal of their interests is recoverable from the Australian Taxation Office in the form of “input tax credits” or “reduced input tax credits”.

13.7 Stamp duty

(a) Acquisition and disposal of investments by the Fund

The Fund may be required to pay stamp duty on the acquisition of its investments, depending on the nature and if applicable, acquired shareholding percentage of those investments. No stamp duty should be payable on the Fund’s disposal of its investments.

(b) Acquisition and disposal of interests by the Investors

To the extent that the Fund invests in shares, Investors should not be subject to any stamp duty in respect of the acquisition or disposal of their interests in the Fund on the basis that the Partnership is subject to certain ownership restrictions; namely, no Investor (subject to certain exceptions) may hold more than 30% of the capital commitments of the Partnership.

However, stamp duty may be payable by Investors on the acquisition of their interests in the Partnership if the Fund invests in other assets. Investors should seek their own tax advice with respect to the stamp duty consequences arising from their interests in the Fund in this regard.

13.8 ABN and TFN

Investors making an investment in the course of carrying on a business or enterprise may quote an Australian Business Number (**ABN**) instead of a Tax File Number (**TFN**). It is not mandatory to quote your TFN, however, failure to quote an ABN or TFN or claim an exemption may cause the Fund to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to you.

You may be able to claim a credit in your tax return for any TFN/ABN tax withheld. By quoting your TFN or ABN, you authorise the Manager to apply it in respect of all your investments with the Fund.

13.9 Possible tax reform in Australia

Tax law is complex and is subject to change periodically (including retrospectively), as is the interpretation of the law by the courts and revenue authorities. Recent Australian Government, ATO and litigation activity indicates that the taxation of collective investment vehicles, thin capitalisation among other things remains subject to law change and administrative practice. The Manager intends to monitor any pertinent developments.

13.10 Tax statements

An annual tax statement will be sent to each Australian resident Investor to assist in completing their tax returns.

Where the Fund is an AMIT (which is assumed to be the case), the AMIT regime requires that all income attributed to an Investor is summarised in an 'AMIT Member Annual Statement', also known as an AMMA Statement. The Trustee will procure the provision of an AMMA Statement to each Investor for each financial year while the Fund is an AMIT as soon as reasonably practicable following the end of that financial year.

The General Partner will provide a tax statement in order for each Investor to include in their tax return.

14 Glossary

The following terms as used in this Information Memorandum should be taken to have the following particular meanings.

Term	Definition
Additional Trusts	means any additional trust established to be a part of the Fund as permitted by the Constituent Documents.
Advisory Committee	means the advisory committee of the Fund as described in Section 8 'Key Terms'.
Administrator	means Unity Fund Services Pty Ltd (ACN 146 747 122) as the administrator of the Fund as appointed by the Trustee, (in the case of the Trust) and the General Partner (in the case of the Partnership).
AFSL	means Australian financial services licence.
Application Form	means the document approved by the General Partner, the Trustee and the Manager (whether paper or electronic based), under which a prospective investor makes a capital commitment to the Fund and undertakes to comply with the terms of the Constituent Documents and this Memorandum as they apply to them.
ASIC	means Australian Securities and Investments Commission.
Authorised Intermediary Agreement	means the agreement titled Intermediary Authorisation Deed between the Licensee and the Partnership.
Business Day	means a day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney, New South Wales.
Capital Commitment	means in respect of an Investor in the Fund, the total of the capital commitment of the Investor to the Fund made under an Application Form (to the extent accepted by the Manager), as determined and adjusted in accordance with the Constituent Documents.
Capital Contribution	means in respect of an Investor, its capital drawn and contributed to the Fund, as adjusted in accordance with the Constituent Documents.
Carry	means 'Carried Interest', 'Manager Distributions' and 'Sponsor Distributions' as set out and defined in the Constituent Documents.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as amended from time to time, including any modification of any provision made by any applicable ASIC relief.
Dreamoro Group	means Dreamoro Ventures, Dreamoro Studios and their related body corporates as defined in the Corporations Act.
Dreamoro Studio	means Dreamoro Studio Pty Ltd (ACN 669 011 116).
Extraordinary Resolution	means a resolution that has been approved by Investors holding together at least 90% of all Fund Capital Commitments of those Investors entitled to vote on the resolution.
ESVCLP	means an early stage venture capital limited partnership under the Venture Capital Act.
ESVCLP Eligible Investments	means investments that are permitted by the ESVCLP eligibility criteria under the ESVCLP Rules and which comply with the approved Investment Plan.

Term	Definition
ESVCLP Rules	means the Venture Capital Act and the associated legislation of the <i>Income Tax Assessment Act 1997</i> (Cth) and <i>Income Tax Assessment Act 1936</i> (Cth).
EVCI	means eligible venture capital investments under the ESVCLP Rules.
Final Closing Date	has the meaning given in the section 'Closing Dates' in Section 8 'Key Terms'.
Financial Year	means 1 July to 30 June.
First Closing Date	has the meaning given in the section 'Closing Dates' in Section 8 'Key Terms'.
Founder	in VC, generally means an individual or a group of individuals who initiate and establish a new venture, organisation, company or project having conceived the idea, developed the initial concept and taken the initial steps to bring their business idea to life.
Fund Capital Commitments	means the Capital Commitments of all Investors to the Fund.
Fund Parties	means the Licensee, the Fund, the Partnership, the Trust, the Trustee, the General Partner, the Manager and Dreamoro Studio and the aforementioned related parties, officers, employees, consultants, advisers and agents.
Fund Term	has the meaning provided in Section 8 'Key Terms'.
General Partner	means Dreamoro Ventures Management 1, LP (ILP 2300022).
IISA	means Innovation Industry and Science Australia.
Invested Capital	means the aggregate Fund Capital Commitments (as adjusted) invested (including the cost of such investment) 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 Investors (including as redemption proceeds) or written off to zero as set out in the Constituent Documents.
Investment Plan	means the investment plan for the Partnership which is approved by IISA upon the Partnership's registration as an ESVCLP from time to time.
Investment Team	means each of the persons described in Section 4.2 'General Partners and Investment Team'.
Investor	means an investor in the Fund, being both a Limited Partner and a Unitholder.
IRR	means at any date, 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, as set out in the Constituent Documents.
Licensee	means One Wholesale Fund Services Ltd (ACN 159 624 585, 426503).
Limited Partnership Deed	means the limited partnership deed governing the Partnership, as amended or replaced from time to time.

Term	Definition
Manager, Dreamoro, Dreamoro Ventures, we, us or our	means Dreamoro Ventures Pty Ltd (ACN 669 010 593, CAR No.001306000)
Manager Participation	has the meaning set out in Section 8 'Key Terms'.
MVP	means minimum viable product.
Net Asset Value	means assets less the liabilities of the Fund.
Ordinary Resolution	means a resolution that has been approved by Investors holding together more than 50% of all Fund Capital Commitments of those Investors entitled to vote on the resolution.
Outside Fees	has the meaning provided in the Constituent Documents and means, remuneration (including director's fees), consulting fees, break fees, transaction fees, underwriting fees, advisory fees, finder's fees, financial products and other financial benefits which are received by the General Partner, the Manager or their associates but excludes arms' length fees or other amounts paid to the Manager or its affiliates in relation to the provision of professional services to an investee that would otherwise need to be procured from a third party; and fees and other amounts which the Manager determines may be retained by a Key Person.
Partnership	means Dreamoro Ventures Fund 1 LP (ILP 2300023).
Partnership Act	means the <i>Partnership Act 1892</i> (NSW).
Partnership Interest	has the same meaning provided in the Limited Partnership Deed.
Preferred Return	means, as set out in the Constituent Documents, in relation to an Investor in the Fund, the aggregate of payments (including tax benefits) made by the Fund to the Investor (which have not been redrawn to the Fund) up to the time that an amount at which: <ul style="list-style-type: none"> • those payments, considered as positive amounts; and • all Capital Contributions by the Investor, considered as negative amounts, represent an IRR of 10% per annum to the Investor less all Capital Contributions by the Investor and Late Capital Interest and Late Capital paid to Investors (if any).
Registrar	One Registry Services Pty Limited (ACN 141 757 360).
SAFE Note	mean a simple agreement for future equity note.
Special Resolution	means a resolution that has been approved by Investors holding together at least 75% of all Fund Capital Commitments of those Investors entitled to vote on the resolution.
Sponsor Unit Holder	means a person recorded on the register as a holder of sponsor units in a Trust, being parties related to or associated with the Manager.
Tax Act	means the <i>Income Tax Assessment Act 1997 (Cth)</i> and the <i>Income Tax Assessment Act 1936 (Cth)</i> as the context requires.

Term	Definition
Trust	means Dreamoro Ventures Fund 1 Trust.
Trust Deed	means the trust deed governing the Trust, as amended or replaced from time to time.
Trustee	means One Fund Services Ltd (ACN 615 523 003, AFSL 493421).
Unit	has the same meaning provided in the Trust Deed.
Unitholder	means an ordinary unitholder, being a 'member' in the Trust as set out in the Trust Deed.
VC	means venture capital.
Venture Capital Act	means the Venture Capital Act 2002 (Cth).
Wholesale Client	has the meaning given in s761G of the Corporations Act.
y-o-y	means year on year.

15 Contact details

Manager

Dreamoro Ventures Pty Ltd
ACN 669 010 593

c/- Unity Fund Services
Level 16
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Website
www.Dreamoro.com.au

Klaus Bartosch
Phone: +61414992811
Email: kbartosch@dreamoro.com.au

Phillip Inberg
Phone: +61410786926
Email: pinberg@dreamoro.com.au

General Partner

Dreamoro Ventures Management 1, LP
ILP 2300022

c/- Unity Fund Services
Level 16
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Website
www.Dreamoro.com.au

Trustee

One Fund Services Ltd
ACN 615 523 003

Level 16
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Website: www.oneinvestment.com.au
Email: enquiries@oneinvestment.com.au

Administrator

Unity Fund Services Pty Ltd
ACN 146 747 122

Level 16, Governor Macquarie Tower,
1 Farrer Place
Sydney NSW 2000

Telephone: (02) 8277 0070
Website: www.unityfundservices.com.au

Registrar

One Registry Services Pty Limited
ACN 141 757 360

Level 16, Governor Macquarie Tower,
1 Farrer Place
Sydney NSW 2000

Telephone: (02) 8188 1510
Website: www.oneregistryservices.com.au
Email: info@oneregistryservices.com.au