

INVESTMENT ADVISER BROCHURE

NEXTECH VENTURES (US) LLC

**Nextech Ventures (US) LLC
284 Newbury Street, Boston, MA 02115
<https://www.nextechinvest.com>**

September 12, 2022

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Nextech Ventures (US) LLC. If you have any questions about the contents of this Brochure, please contact us at +1-617-807-0920. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Nextech Ventures (US) LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Nextech Ventures (US) LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	2
Advisory Business	2
Fees and Compensation.....	3
Performance-Based Fees and Side-By-Side Management	9
Types of Clients	9
Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Disciplinary Information.....	36
Other Financial Industry Activities and Affiliations.....	36
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	36
Brokerage Practices	38
Review of Accounts	39
Client Referrals and Other Compensation.....	39
Custody	40
Investment Discretion	40
Voting Client Securities	40
Financial Information.....	41

MATERIAL CHANGES

Nextech Ventures (US) LLC is filing this Form ADV Part 2 in connection with its initial registration as an investment adviser with the SEC. This section will include annual and, where applicable, other-than-annual updates to the description of the business practices of Nextech Ventures (US) LLC and its affiliates.

ADVISORY BUSINESS

Nextech Ventures (US) LLC (“**Nextech Ventures**”), a Delaware limited liability company and a registered investment adviser, provides investment advisory services in relation to investment funds that are privately offered to qualified investors in the United States and elsewhere. Nextech Ventures formally commenced operations in August 2022. Nextech Invest AG (“**Nextech Invest**” and together with Nextech Ventures, “**Nextech**”), a company limited by shares established in Switzerland and the parent company of Nextech Ventures, is an affiliated investment adviser of Nextech Ventures. Nextech Ventures is a separately organized and U.S.-based independent operating business of Nextech that provides non-discretionary investment advisory services to the investment committee of Nextech Invest, in connection with advisory services that Nextech Invest provides to Nextech VI Oncology SCSp, a Luxembourg special limited partnership, Nextech VII Oncology SCSp, and Nextech Crossover I SCSp, each of which is a Luxembourg special limited partnership and pooled investment vehicle sponsored by Nextech Invest (each a “**Fund**”, and together with any future private investment fund sponsored by Nextech Invest and sub-advised by Nextech Ventures, the “**Funds**”).

The Funds are private equity funds and invest through negotiated transactions in cancer therapeutics-focused biotechnology operating entities, generally referred to herein as “portfolio companies.” As part of its non-discretionary investment advisory services in respect of the Funds, Nextech Ventures regularly engages in the following advisory services: (i) identifying and evaluating investment opportunities, (ii) negotiating the terms of investments, (iii) managing and monitoring investments and (iv) achieving dispositions for such investments. Although investments are made predominantly in non-public companies, Nextech Ventures will evaluate public companies for investment by the Funds in certain instances and consistent with the investment strategy for the applicable Fund. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Nextech Ventures or its affiliates will serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Nextech Ventures provides investment advisory services to Nextech Invest, the sponsor of the Funds, in accordance with a non-discretionary sub-advisory agreement (the “**Sub-IAA**”). Nextech Invest, in turn, determines whether to accept any such investment recommendations from Nextech Ventures and provides investment advice to each of the Funds’ general partners, each of whom makes investment decisions based on such advice in respect of the Funds. For purposes of the European Union Alternative Investment Fund Managers Director (“**AIFMD**”), an alternative investment fund manager (“**AIFM**”) delegates portfolio management of the Funds to Nextech Invest, though in certain instances the AIFM will retain responsibility for portfolio management until Nextech Invest receives required approvals under Swiss law for delegation to it of portfolio management functions. Nextech Invest’s advisory services to the Funds are detailed in the relevant

private placement memoranda or other offering documents (each, a “**Memorandum**”), investment management agreements, limited partnership or other operating agreements of the Funds (each, a “**Partnership Agreement**” and, together with any relevant Memorandum, the “**Governing Documents**”). Nextech Ventures and its employees do not provide advisory services in respect of certain legacy investment funds sponsored by Nextech Invest (which, for the avoidance of doubt, are not reflected in the “Funds” defined above), and references to the Funds in this brochure do not include such vehicles unless indicated otherwise.

Investors in the Funds (generally referred to herein as “investors” or limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Nextech and any investor. The Funds or the General Partners have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the Governing Documents, the General Partners of the Funds are permitted to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Nextech’s personnel and/or certain other persons associated with Nextech and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in Nextech’s sole discretion, Nextech Invest reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of August 31, 2022, Nextech Ventures provides non-discretionary advice to Nextech Invest in respect of \$1,200,000,000 of assets attributable to the Funds. Nextech Ventures is a wholly owned subsidiary and independent operating business of Nextech, which is principally owned by Dr. Alfred Scheidegger, Dr. Thilo Schroeder, and Dr. Jakob Loven.

FEES AND COMPENSATION

In general, Nextech Invest receives a management fee and a carried interest in connection with the provision of advisory services to the Funds, and Nextech Ventures receives compensation

from Nextech Invest in connection with the provision of its non-discretionary sub-advisory services under the Sub-IAA. Nextech Invest or other Nextech entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Nextech to the extent provided by the Governing Documents. Investors in a Fund also bear certain expenses.

Management Fees

As compensation for advisory services rendered by Nextech in respect of the Funds, Nextech Invest receives from such Funds a management fee (the “**Management Fee**”) equal to 2% on an annual basis of aggregate investor capital commitments (“**Commitments**”). The Management Fee is payable quarterly in advance and is paid to the Fund’s General Partner, who has the discretion based upon the applicable Governing Documents to take the Management Fee in the form of a priority profit share. Investors participating in a closing after a Fund’s initial closing date bear the Management Fee from the initial closing date. Upon the earlier to occur of (i) the date when a Fund’s investment period expires or (ii) the date on which a General Partner’s share, Management Fee or equivalent amount starts to accrue with respect to a Fund that constitutes a “successor fund” raised by Nextech Invest, the Management Fee will be equal to 2% of the aggregate acquisition cost of unrealized investments attributable to investors that are not affiliated with Nextech.

The Management Fee will be payable until all portfolio investments are distributed or until Nextech’s relationship with the Fund is terminated for other reasons (as described in the Governing Documents). Installments of the Management Fee payable for any period other than the relevant period are adjusted on a *pro rata* basis according to the actual number of days in such period. Where the Governing Documents calculate Management Fees based on the amount of Commitments or the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors. Nextech Ventures’ sub-advisory services are not separately charged to the Funds and are encompassed in the Management Fee.

To the extent specified in a Fund’s Governing Documents, Nextech or its affiliates will be permitted to receive certain supplemental fees and other amounts (“**Supplemental Fees**”) consisting of: (i) transaction fees paid by any portfolio company, which generally include investment banking fees, placement fees, commitment fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors’ fees and other similar fees (whether in the form of cash, securities or otherwise) received by Nextech from a portfolio company in respect of a Fund’s investment; and (iii) other designated net fee payments received by Nextech or its partners or employees from portfolio companies or prospective portfolio companies. A Fund’s Governing Documents generally will provide that Supplemental Fees received by Nextech and attributable to the Fund’s investment in a portfolio company will be credited against Management Fees otherwise owed to Nextech in a specified percentage (*e.g.*, 100%). To the extent that a Fund’s Governing Documents provide for Supplemental Fees to be credited against Management Fees in an amount below 100%, the remaining amount of such Supplemental Fees will be retained by Nextech. To the extent that such an offset credit exceeds the amount of a

Management Fee for a given quarterly period, the excess will be carried forward as a credit for future application against payable Management Fees and if a credit remains upon liquidation a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence potentially will result).

Nextech is permitted to receive fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors (which could include co-investment vehicles managed by Nextech, third parties, portfolio company management or employees and/or others), which have the potential to be significant. Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services. Unless otherwise agreed with investors, Supplemental Fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amount of Management Fees actually offset.

Additionally, as further described below and in the Governing Documents, it is Nextech's practice to use or retain certain companies or individuals ("**Special Consultants**") to provide services to, or in connection with, certain portfolio companies in which one or more Funds invest. Such Special Consultants may be affiliates of or employed by Nextech, or employees of such Nextech affiliates or portfolio companies of the Funds. Nextech also engages certain individuals with scientific expertise in precision medicine and oncology ("**Science Partners**") that Nextech retains on an annual basis to provide services relating to the Funds and their portfolio companies. Science Partners and Special Consultants generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds in connection with their services, but no such amounts (including any reasonable expenses incurred in the provision of services by such Science Partners and Special Consultants) will offset or reduce the Management Fee. For the avoidance of doubt, Nextech also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

The Governing Documents generally permit Nextech to waive or agree to reduce the Management Fee. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Nextech and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

Carried Interest

The precise amount of, and the manner and calculation of, the carried interest for each Fund is disclosed in such Fund's Governing Documents and will vary as between Funds. Nextech generally receives a carried interest with respect to the Funds equal to 20% of all realized profits, subject to an 8% internal rate of return compounded annually, as more fully described in the Governing Documents for such Funds. The carried interest distributed to Nextech is subject to a

potential giveback at the end of life of a Fund if Nextech has received excess cumulative distributions. It is expected that any future Funds will have a similar compensation structure.

Other Information

Nextech is permitted to exempt certain “affiliated partner” investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Nextech and any other person designated by Nextech, such as “friends and family” of Nextech or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by Nextech and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Nextech professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest. In general, the Management Fee offsets described above apply only with respect to the Commitments of fee-paying investors. Nextech retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor’s capital account(s).

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Nextech (including Nextech Ventures) generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Nextech or its affiliates.

In addition to the Management Fee and carried interest payable to Nextech Invest, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund is expected to bear all fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce Management Fees (where applicable as further set forth in the Governing Documents), including: costs and expenses attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of such Fund’s investments, legal, filing, accounting, auditing, investment banking, travel (including the cost of first class commercial airfare or ground transportation and car service), meal and entertainment expenses, consulting, research, brokerage, finder’s fees, financing, regulatory compliance (including the initial registrations, filings and compliance contemplated by AIFMD or any similar law, rule or regulation relating to the implementation thereof in any relevant jurisdiction and AIFMD), real estate title, appraisal, printing, reporting, custody, depositary, transfer, registration, insurance, advisory board, limited partner

meetings and related meal and entertainment expenses, interest, taxes, extraordinary expenses and other similar fees and expenses, including such fees and expenses, break-up or topping fees or other liabilities or obligations, incurred for transactions not consummated (“**Broken Deal Expenses**”), including Broken Deal Expenses relating to transactions that have been offered to co-investors, but not Nextech expenses in connection with maintaining and operating its offices (such as compensation of its employees, rent, utilities and general office expenses). As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Nextech and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred.

Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. The General Partner reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund’s investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partner incurred in connection with managing, originating and monitoring investments, including employees’ salaries, rent, utilities and other similar expenses specified in the Governing Documents. Each Fund, however, is expected to bear certain fees, costs and expenses related to the organization and maintenance of any intermediate entity or the presence of a Fund, the Fund’s General Partner or their affiliates (including a Fund’s AIFM) in jurisdictions in which such Fund organizes or maintains an intermediate entity, including travel and accommodation expenses, and the salary and benefits of any personnel reasonably necessary for the maintenance of such entities, and other related overhead expenses. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund’s strategy, including in Side Letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits

to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds (including, without limitation, legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. While Nextech believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Nextech, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds, without interest, to which such expenses relate.

As described above, a Fund’s General Partner is permitted to provide certain investors with the opportunity to co-invest in portfolio companies alongside one or more Funds, subject to Nextech’s related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction are expected to be borne by the Fund(s) that were to have participated in such transaction. Nextech’s practice of allocating broken deal expenses among investing Funds is discussed under “Conflicts of Interest,” below. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

Nextech Invest and/or its affiliates generally have discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Supplemental Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Nextech and/or its affiliates on the other hand.

Science Partners and Special Consultants

Additionally, as further described herein and in the Governing Documents, it is Nextech’s practice to retain the Science Partners and certain Special Consultants to provide services to (or with respect to) Nextech, the Funds, and certain current or prospective portfolio companies in which the Funds invest. Such Science Partners and Special Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of existing and prospective portfolio companies, including operational aspects and strategic areas of focus such companies. Science Partners and Special Consultants receive compensation, including, but not limited to, retains, cash fees, discretionary bonuses (whether or not based on pre-determined

milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Nextech and/or its Funds or affiliates or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Science Partners and Special Consultants, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Science Partners and Special Consultants compensation as well as fees, costs and expenses of structuring Science Partners and Special Consultants arrangements. Science Partners and Special Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of Science Partners and Special Consultants subjects the General Partners to potential conflicts of interest, as discussed generally under "Conflicts of Interest" below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," the relevant Nextech affiliate generally receives a carried interest allocation on certain realized profits in the relevant Fund. Nextech does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under "Fees and Compensation." Additionally, to the extent that Nextech has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Nextech personnel are assigned varying percentages of carried interest from the Funds, Nextech and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. Nextech seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Nextech or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Nextech generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Nextech Ventures provides investment advice on a non-discretionary basis to its parent company, Nextech Invest, in respect of advisory services provided by Nextech Invest to the Funds, and references throughout this Brochure to "clients" and to Nextech's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds

generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Nextech and its affiliates and members of their families, Science Partners and Special Consultants or other service providers retained by Nextech, as well as executives or other employees of portfolio companies.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents related Fund.

The Funds generally have a minimum investment amount as provided in the relevant Governing Documents, and interests in the Funds are offered and sold solely to qualified purchasers and accredited investors that are also qualified clients (or qualified knowledgeable Nextech personnel). Nextech generally is permitted to waive such minimum investment amount.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Nextech Ventures is a separately organized and independently operating business of Nextech, a private investment firm focused on equity and other venture investments in biotechnology companies that Nextech believes will benefit from Nextech's scientific expertise. Nextech Ventures' investment advisory services in respect of the Funds (as further detailed above) consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments by the Funds are predominantly in non-public companies in the biopharmacology, oncology and biotechnology sectors, although investments in public companies or other sectors are permitted and made in certain circumstances where consistent with a Fund's investment strategy.

Nextech's investment strategy for the Funds focuses on investing in and building companies that develop precision medicines, primarily for the treatment of cancer. Nextech generally expects the Funds to be a minority investor, however the Funds may assume control or co-control positions in certain of its investments. Nextech pursues promising investment opportunities that arise when companies exhibit meaningful advancement of platform or program developments across the value chain. These entry points occur at different times in each company's development and as such, Nextech does not limit its investment program to any single stage across the financing continuum. Nextech believes in applying the right scale to an investment so that it is stage-appropriate for a potential portfolio company and appropriate for Nextech's clients. Nextech seeks to structure its investments so that Nextech can participate in subsequent rounds for those of which are high performing. Once an investment opportunity has been identified, Nextech seeks to

take an active role to enhance the performance of the acquired company by (i) developing and assisting in the implementation of operating and/or restructuring plans, (ii) building the management team and (iii) providing significant resources to portfolio companies. There can be no assurance that Nextech will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Deal Sourcing and Due Diligence. Nextech's investment professionals source opportunities through their own networks, at board meetings, through conference attendance and through the growing group of alumni of past portfolio companies. Nextech seeks to cultivate relationships and follow the progress of biotechnology companies for extended periods, so that Nextech is well positioned to be a logical partner when investment is required. Nextech maintains close relationships with other investors, particularly seed and early stage investors, whom Nextech believes generate inbound requests to validate progress and lead a new investment round or add complementary expertise to investment round syndicates. Nextech believes it is seen as a partner of choice for evaluating and investing in oncology opportunities. Once a potential investment is identified, Nextech develops an investment thesis and, through a detailed due diligence process, seeks to verify such thesis and investigate the major business risks. Nextech seeks to invest in the best private deals in oncology drug discovery regardless of stage or geography. Nextech's emphasis is on scientific validation and evaluation of a potential portfolio company's team.

Central to Nextech's diligence process is a rigorous evaluation of scientific merit and development progress. Often, Nextech leads scientific or chemistry diligence because of Nextech's domain expertise. Nextech believes this provides Nextech an advantage in securing leading roles in financing rounds and thereby steering negotiation of deal terms and building investor syndicates. Nextech's scientific validation process involves a comprehensive evaluation of a company's approach, mechanism of action, scientific strategy, the likelihood of its success in the clinic, its strategic relevance, and its competitive position. Nextech only proceeds to the investment stage when the science, team and the financing syndicate align with Nextech's standards.

Develop Restructuring and Operating Plan. If applicable, senior members of the professional and operating staff of Nextech and its affiliates develop a restructuring and operating plan prior to the close of each transaction focusing on the target's strengths, weaknesses, competitive position, industry trends and other relevant factors.

Management Team. Nextech may supplement or replace the management team at a new portfolio company or advise the existing management team on strategic decisions. Nextech and its affiliates routinely search for highly qualified senior managers and often identify qualified candidates that can be the appropriate hire for a portfolio company.

Maintain Active Involvement in Portfolio Companies. Nextech aims to act decisively with respect to newly acquired portfolio companies. Nextech believes the strongest managers seek partners who can bring outside perspective to the tradeoffs involved in pursuing one development target over another, as well as partners who can design experiments or bring novel new ideas to the table to accelerate promising avenues. Nextech believes continued access to its investment team and Science Partners provides valued perspective for portfolio companies' management

teams. As portfolio companies mature, Nextech stays actively involved in the management of the portfolio companies by, among other things, working with management to attract board talent. Nextech may also require its portfolio companies to distribute regular reports and scheduling frequent meeting with the senior staff to focus on operations, competition, pipeline and personnel.

Internal Growth and Add-on Acquisitions. Once the above strategies have been implemented, Nextech will often seek to stay involved with each portfolio company, particularly in respect of its drug development strategy. Drug development is inherently capital intensive and requires companies to raise additional capital. Nextech believes its relationships with pharmaceutical companies, large biotechnology companies and investment banks bring important perspective to these discussions, and also maximizes a portfolio company's visibility in the marketplace.

Exit Strategy. Nextech builds tailored holding strategies for each portfolio company. For most portfolio companies, they will eventually file for an IPO. Once public, Nextech will evaluate the portfolio company and our previous and current underwriting. Depending on the perceived risk and conviction, Nextech will consider appropriate exit strategies, including the partial or full-sale of our position. Factors considered include the opportunity for financing needs, development risk, company size and burn, industry and competitive dynamics, banking market conditions and capital market conditions.

Risks of Investment

Each Fund and its investors bear the risk of loss that Nextech's investment strategy entails. The risks involved with Nextech's investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund's investment portfolio is expected to consist primarily of securities issued by non-public troubled companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial losses. Indeed, investments in troubled companies involve a higher degree of risk than other investments.

Concentration of Investments. Each Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of a Fund may be materially affected by the performance of a single investment or a single industry segment.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, regardless of the extent to which the Commitments of the limited partners are invested (or drawn down to be invested), the limited partners will be required to bear Management Fees through such Fund during the commitment period based on the entire amount of the limited partners' Commitments to such Fund and other expenses as set forth in the Governing Documents.

Dynamic Investment Strategy. While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue investments outside of the industries and sectors in which Nextech has previously made investments or has internal operational experience.

Early-stage Venture Investments. The Funds are expected to invest in private, early-stage companies. At the time of investment by a Fund, and potentially at disposition, these companies may have minimal or no revenues and may not be profitable. They require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or may not be available on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although a representative of Nextech may serve on the board of a portfolio company, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Fund or Nextech).

Growth Equity Transactions. A Fund may make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion to achieve or maintain a competitive position and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Investments in the Healthcare Sector. The Funds intend to make investments in the healthcare and pharmaceutical sector. Investing in healthcare and/ or pharmaceutical companies involves substantial risks. Each of these risks could have a material adverse effect on the investments of a Fund, and some of these risks are described in greater detail below.

Single-product investments: Portfolio companies in which a Fund invests or the significant customers or counterparties of such companies may only have one product under development. There can be no assurance that the product will be approved for marketing by the relevant regulatory agency. Further, competition to the product may develop from other new and existing products. In either case, if a portfolio company is dependent on that one product, the consequences of such failure could be devastating to the prospects of such portfolio company, which in turn could negatively affect the performance of a Fund.

Clinical trials: Portfolio companies will likely also conduct clinical trials in the course of their research and development. Clinical trials can be time-consuming, expensive and involve a high degree of uncertainty. The success of a Fund will, in part, depend on the success of such clinical trials.

Changes in policy and regulation: Healthcare policy and changes in healthcare policy and related laws and regulations could have a material and adverse impact on the healthcare and/or pharmaceutical portfolio companies in which a Fund invests and any governmental role in the healthcare industry could adversely impact such Fund's performance.

Regulatory approvals: Obtaining governmental approval for new products from governmental agencies can be lengthy, expensive and uncertain. A regulator's task is to approve pharmaceutical products on the basis of an acceptable benefit/risk profile. Often, in early stages of development regulatory guidance does not specify thresholds expected. As a result, there is risk that a product may not gain approval even if the portfolio company believes it has a robust data package, as regulators may take a conservative position. This can be the result of (i) new data generated by other programs, (ii) new safety signals hitherto unseen or (iii) a change of stance by the regulators in their requirements. In some cases, products of healthcare companies, which will likely include portfolio companies of a Fund or the customers or counterparties of such portfolio companies, are approved by regulatory authorities on a conditional basis with full approval conditioned upon fulfilling the requirements of regulators. Regulatory authorities are placing greater focus on monitoring products originally approved on a conditional basis and on whether the sponsors of such products have met the conditions of the conditional approval. If a portfolio company or one of its significant customers or counterparties is unable to fulfill the conditions of its products' conditional approval, it may not receive full approval for these products and may be required to change the products' labeled indications or withdraw the products from the market, which could have an adverse effect on the value of the portfolio company. Moreover, even after approval, products may still be the subject of regulatory action if new facts concerning their safety and efficacy come to light. Healthcare regulation is subject to change and can have a considerable impact on the marketing of products and services by companies in which a Fund invests or the customers or counterparties of such companies. Such regulatory changes could affect the ability of a portfolio company or one of its significant customers or counterparties' ability to obtain or maintain approval of its products, even forcing such companies to withdraw their products from the market. In some cases, new regulations can substantially change the marketing conditions for certain healthcare products, such as pharmaceuticals. Accordingly, investments made in reliance on an existing market structure could prove to be not cost effective or worthless, and existing market positions could be endangered.

Regulatory oversight: Many healthcare companies are subject to rigorous regulation in their operations. Compliance with these regulations can be costly. Even when healthcare companies develop and institute comprehensive compliance programs, they are not able to guarantee that they, their employees, their consultants and their contractors will be in compliance with all potentially applicable regulations. If a portfolio company or one of its significant customers or counterparties fails to comply with applicable regulations, that company could be subject to monetary and administrative penalties, increased compliance costs or a curtailment of its authority to conduct business, any of which could have a material adverse effect on the value of the portfolio company.

Efficacy: Human biology is a complex system and results obtained in small patient numbers may not identify all efficacy parameters or safety risks of the product, which would only be identifiable in larger patient populations in real world settings. Regulators may, therefore, modify or cancel product approvals after launch of the product. For example if a particular side effect has a 1 in 10,000 chance of occurring, a clinical trial of 2,000 patients may not highlight that particular adverse event. The efficacy and safety of pharmaceutical products are established by generating data in both animal and then human studies, and then performing statistical analyses on the data to determine significance of the results. Such analyses can only suggest a probability of success that may not translate into the real world. Clinical development is uncertain and early results may not translate into successful outcomes at later stages. Later stage success may not translate into marketing approval by regulators.

Third party payors: In addition, sales of healthcare products and their success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers and other organizations. The continuing efforts of governmental and third-party payors to contain or reduce the costs of healthcare affects the revenues and profitability of healthcare companies. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products. There can be no assurance that a portfolio company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development. Moreover, if reimbursement rates are reduced, or if healthcare providers anticipate reimbursement being reduced, providers may narrow the circumstances in which they prescribe or administer the products of a portfolio company or its customers or counterparties, which could reduce the use or sales of such products and thereby have a material adverse effect on the value of the portfolio company.

Intellectual property: Many healthcare companies depend heavily on intellectual property rights, including patents, trademarks, servicemarks, trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that a Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies, or allege patent infringement by a portfolio company. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a particular product of a portfolio company or one of its significant customers or counterparties. In addition, if a portfolio company or one of its significant customers or counterparties infringes on third-party patents or other proprietary rights, it could be prevented from using certain third-party technologies or forced to acquire licenses in order to obtain access to such technologies. In such a case, such person might not be able to obtain all licenses required for the success of its business, which could have a material adverse effect on the value of a portfolio company. Moreover, if the patents and other proprietary rights of a portfolio company or any of its significant customers or counterparties are infringed by third parties, then it may not be able to take full advantage of existing demand for its products. The products of pharmaceutical companies are often protected for a certain period by

various patents or regulatory forms of exclusivity, and the loss of market exclusivity following the expiration of such a period can open the products to competition from generic substitutes that are typically priced significantly lower than the original products, which can have an adverse effect on the value of the product and the company. Piracy or any such allegations may adversely affect portfolio company revenue, particularly outside the U.S. in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

Concentration risk: Healthcare technology companies often face specific risk which a Fund will also be exposed to by concentrating its investment strategy in such companies. Such risks typically include: (1) rapidly changing science and technologies; (2) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (3) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (4) the possibility of lawsuits related to patents and other intellectual property and their associated rights; and (5) rapidly changing investor sentiments and preferences with regard to technology sector investments.

Quality and Manufacturing Risk: The manufacturing of pharmaceutical products is a highly complex process, to which regulators apply stringent standard. From time to time issues can arise in manufacturing that may result in a delay or suspension of a product, or even a recall of a product. An error may arise in the production process that results in the contamination of a product or batch, or more simply, a product batch being produced outside of approved specifications as a result of production variability. Corrective actions to such events can impact profitability and sometimes remove products from the market.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

Leveraged Investments. Subject to the terms of the Governing Documents and any associated limitations, a Fund is permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The

leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which in recent years have been at or near historic lows) and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency.

A Fund also in certain circumstances and where permitted by the Governing Documents will borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund is permitted to incur leverage on a joint and several basis with one or more other Funds and entities managed by Nextech or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to

arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Nextech for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined

pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to Nextech with respect to such investment.

Non-U.S. Investments. A Fund may invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments

have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partner and Nextech may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Nextech in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, Nextech may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Fund to increase its participation in a successful operation.

Investment in Junior Securities. The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Public Company Holdings. A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including Nextech's principals, and increased costs associated with each of the aforementioned risks.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or Nextech generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Nextech's control. Decisions by Nextech or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Nextech and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of

responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Nextech reserves the right to withhold certain information from investors subject to such laws for reasons relating to Nextech's public reputation, business strategy or other reasons.

Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Nextech and its affiliates, as well as in connection with officerships or directorships of Nextech personnel, Nextech frequently comes into possession of confidential or material, non-public information. Nextech and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Nextech's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Nextech or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Nextech's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Nextech or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Hedging Arrangements; Related Regulations. A General Partner is authorized (but not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements

will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Valuation of Investments. There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, Nextech will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments which may involve the services of independent appraisers. However, the process of valuing securities for which reliable market quotations are not available, including when conducted by independent appraisers, is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by Nextech may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. There can be no assurance that the valuation decision of the Nextech with respect to an investment will represent the value realized by a Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly in operating companies in historically vulnerable industries. To the extent that a Fund portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (a) customer data or payment information; (b) customer or portfolio company financial information; (c) portfolio company software, contact lists or other databases; (d) portfolio company proprietary information or trade secrets; or (e) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or a Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Nextech or one of its service providers holding its financial or investor data, Nextech, its affiliates or the Fund may also be at risk of loss, despite efforts to prevent and mitigate such risks under Nextech's policies.

Privacy and Data Protection Law Compliance Risk. Compliance with current and future privacy, data protection and information security laws could significantly impact current and

planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of Nextech's current and planned business activities and as such could increase costs for a Fund and/or its portfolio companies. A failure to comply with such laws and regulations could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have an impact on reputation.

Portfolio companies are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

EU data protection law currently in effect is in the form of the General Data Protection Regulation (EU 2016/679) (the **"GDPR"**) which took direct effect across the EU member states on 25 May 2018. The GDPR seeks to harmonize national data protection laws across the EU, whilst at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors, (i) with an establishment in the EU, (ii) which offer goods or services to EU data subjects, or (iii) which monitor EU data subjects' behavior within the EU. The GDPR imposes more stringent operational requirements on both data controllers and data processors, and introduces significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive will also be repealed by the EU Commission's Regulation on Privacy and Electronic Communications (the **"ePrivacy Regulation"**), which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. Although the ePrivacy Regulation was projected to take effect in early 2019, the draft text is currently in the process of being finalized. Due to delays in negotiations on the final agreed text, the ePrivacy Regulation may not be adopted until later in 2020, meaning that it would not take effect until 2021 or 2022. The GDPR principles on the processing of personal data have been implemented into laws enforceable in the United Kingdom by the Data Protection Act 2018.

United Kingdom ("UK") Exit from the European Union (the "EU"): On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (**"Brexit"**). The UK formally left the EU on January 31, 2020, and entered a transition period that ended on December 31, 2020. On December 24, 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period.

Although provisionally agreed, the terms of UK's ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market and the extent to which EU businesses have access to the UK market. There is also risk of significant disruption to trade between the UK and the EU, particularly as new trade arrangements are intended to be ratified and implemented.

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses, including Nextech and Fund portfolio companies, as applicable. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Conflicts of Interest

Nextech and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. Nextech will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Nextech conducting its activities, various actual and potential conflicts will arise among Nextech, one or more other Funds, portfolio companies, or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. In addition, Nextech, its personnel and their respective affiliates may in the future engage in further activities that may result in additional conflicts of interest not addressed below. There can be no assurance that Nextech will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to any particular Nextech fund. As a general matter, Nextech will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by Nextech through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Nextech Invest's Allocation Policy. Without limitation, Nextech personnel currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Nextech personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Nextech's personnel will continue to manage and monitor such investments until their realization. Such other investments that Nextech personnel expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, Nextech personnel reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Nextech's sole discretion, Nextech and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Nextech personnel are permitted to serve on boards or act in other roles unaffiliated with Nextech, the Funds

or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

From time to time, Nextech will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Nextech. In determining which investment vehicles should participate in such investment opportunities, Nextech and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Nextech is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Nextech in a portfolio company also have the potential to raise the risk of using assets of a client of Nextech to support positions taken by other clients of Nextech.

Nextech must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Nextech generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the Governing Documents, where applicable), liquidity, available capital, leverage, structure, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable legal, tax and regulatory considerations, life cycle, structure, and other relevant factors. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of Nextech in the manner set forth in the Governing Documents and Nextech's Allocation Policy. Nextech will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Nextech's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, Nextech will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and Nextech reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters and Nextech's Allocation Policy. Additionally, Nextech reserves the right to permit the Science Partners and Special Consultants, vendors or service providers to co-invest alongside the Funds. The General Partners reserve the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, Nextech expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. When and to the extent that employees and related persons of Nextech and its affiliates make capital investments in or alongside certain Funds, Nextech and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Nnextech's allocation of investment opportunities (including follow-on opportunities) among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Nnextech will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Nnextech expects to be subject, discussed herein, did not exist.

In certain cases, Nnextech will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Nnextech will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Nnextech in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Nnextech expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Nnextech expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Nnextech may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Nnextech intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, investment terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Nextech and its affiliates reserve the right from time to time express to inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Nextech is permitted to allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Nextech expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Nextech or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Nextech. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

Further, employees of Nextech or its affiliates, may serve as directors, or otherwise be associated with, companies that are competitors of portfolio companies of a Fund. Portfolio companies may also be counterparties or participants in agreements, transactions, or other arrangements with portfolio companies of other Nextech funds that may involve fees and/or servicing payments to Nextech, which are not subject to the applicable governing documents of one Fund, or which are otherwise shared with such Fund.

As a result of the Funds' controlling interests in portfolio companies, Nextech and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Nextech personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Nextech and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Nextech.

Additionally, a portfolio company typically will reimburse Nextech or service providers retained at Nextech's discretion for expenses (including, without limitation, travel expenses) incurred by Nextech or such service providers in connection with its performance of services for such portfolio company. This subjects Nextech and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Nextech determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Nextech or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Nextech, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Nextech's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Nextech and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Nextech Information**"). In many cases, Nextech Information will include tools, procedures and resources developed by Nextech to organize or systematize Nextech Information for ongoing or future use. Although Nextech expects its Funds and their portfolio companies generally to benefit from Nextech's possession of Nextech Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Nextech and its personnel) and not by the Fund or portfolio company from which Nextech Information was originally received. Nextech Information will be the sole intellectual property of Nextech and solely for the use of Nextech. Nextech reserves the right to use, share, license, sell or monetize Nextech Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Nextech generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Nextech or a related person of Nextech (which may include a portfolio company of such Fund); (ii) an entity with which Nextech or its affiliates or current or former members of their personnel has a relationship or from which Nextech or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Nextech personnel are seconded, or from which Nextech receives secondees; or (iii) certain limited partners or their affiliates. For example, Nextech expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Nextech to conflicts of interest, because, although Nextech selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Nextech has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Nextech, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Nextech), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Nextech will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Nextech generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where Nextech commits or has committed to seek "market" or "arms-length" rates or terms, Nextech will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Nextech reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Nextech undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Nextech reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Nextech has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Nextech personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at Nextech. Under such arrangements, Nextech and/or the relevant portfolio company is authorized to pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships or to former employees generally will not offset or reduce the Management Fee. Due to the nature of secondee relationships, which are often

initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis. Employees may or may not return to Nextech at the end of such secondeed arrangement.

In addition, as described above, portfolio companies and the Funds typically pay certain fees to, and reimburse expenses of, the Science Partners and certain Special Consultants, and such amounts do not offset or reduce the Management Fee as described herein. Science Partners are paid an annual retainer borne by Nextech. Each Science Partner is paid a flat fee for attending certain meetings each year, including, but not limited to: (i) an annual partners meeting for the purposes of presenting to, and interacting with, investors in all active Funds; (ii) an annual portfolio review meeting for the purposes of providing advice with regard to the review of both existing and prospective portfolio companies; (iii) an annual strategy meeting for the purposes of providing a review of strategic areas of focus and prospective portfolio companies; and (iv) other meetings as applicable for the respective Science Partner to complete his or her duties. The fee for attending each annual partners meeting is allocated between the Funds represented at the meeting based on total committed capital. The fees for attending the annual portfolio review meeting and annual strategy meeting will be allocated between Funds that are in their investment period, based on total committed capital. There is also a flat fee for each due diligence report produced by a Science Partner for a Fund, the cost of which will ultimately be borne by such Fund. Furthermore, each Science Partner will be paid a daily consulting fee for any ad hoc services requested by Nextech. Each Science Partner will be entitled to reimbursement for his or her reasonable out-of-pocket expenses incurred in the provision of their services. The amount of any such fees or expenses attributable to Science Partners (including, as the case may be, any fees or expenses attributable to Science Partners for Science Partner services attributable to the Funds) will not result in an offset to the Management Fee. A portfolio company may request to engage a Science Partner for further advisory services and any such services will be (i) performed at the expense of such portfolio company and (ii) governed by a separate agreement between such Science Partner and such portfolio company.

The Science Partners are also expected to have limited partner interests in certain vehicles established by Nextech to receive carried interested distributions from the Funds. Although Nextech intends to retain Science Partners with a view to reducing costs to portfolio companies (and, ultimately, the Partnership) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings or improved performance from such retention. In addition, Nextech intends to retain only such Science Partners which it believes provide a level of services at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other individual is more qualified to provide the applicable services or could provide those services performed by the Science Partners at lesser cost.

Science Partners and Special Consultants generally make use of Nextech resources or otherwise are associated with Nextech. Nextech and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Science Partners and Special Consultants are expected from time to time to include former employees of Nextech or certain portfolio companies, and in some circumstances former Science

Partners and Special Consultants are expected to become Nextech employees or employees of portfolio companies. Consequently, the determination of whether individuals are Science Partners and/or Special Consultants is expected to vary and/or be revisited from time to time. Science Partners and Special Consultants generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Fund, as described herein. To the extent that Science Partners and Special Consultants are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Science Partners and Special Consultants services at a time when fewer portfolio companies or Funds make use of such Science Partners and Special Consultants. Although the use of Science Partners and Special Consultants and the allocation of compensation paid to them by Nextech, its affiliates and/or the portfolio companies subjects Nextech and/or its affiliates to potential conflicts of interest, Nextech believes that such potential conflicts have the potential be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Science Partners and/or Special Consultants is lower than market rates for the services provided and/or if the services of the Science Partners and/or Special Consultants align with Nextech's model for the portfolio company and improve portfolio company performance. Although Nextech seeks to retain Science Partners and Special Consultants with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Nextech also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Nextech believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Science Partners and Special Consultants and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Nextech reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Nextech, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of Nextech, Nextech reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. In certain circumstances, Nextech reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Nextech intends that any such transactions be conducted in

a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Nnextech and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Nnextech and/or its affiliates; conversely, current or former personnel or executives of Nnextech and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Nnextech. Similarly, Nnextech, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Nnextech and/or its affiliates and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Nnextech entities) to Nnextech personnel and their estate planning vehicles. Nnextech expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Nnextech information about markets and industries in which Nnextech operates (or is contemplating operations) or will provide other services that are beneficial to Nnextech or one or more other Funds. Nnextech expects to be subject to a potential conflict of interest in making such recommendations, in that Nnextech has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Nnextech Ventures, its affiliates, and equity holders, officers, principals and employees of Nnextech and its affiliates reserve the right to buy or sell securities or other instruments that Nnextech has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Nnextech Ventures' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Nnextech have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Governing Documents, Nnextech and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder

or manager) for other pooled investment vehicles or accounts, the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and the anti-assignment provisions of the Advisors Act, Nextech and its personnel are also permitted to offer, restructure and monetize interests in Nextech.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Nextech may not otherwise have done so.

Since Nextech is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, Nextech, its personnel, affiliates or others designated by Nextech expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied (typically based on the then-present value of such securities), Nextech and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Nextech) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Nextech reserves the right to accrue, defer or forego payments of Supplemental Fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

Nextech and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Nextech, the relevant General

Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Nextech to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although Nextech believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Nextech has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Nextech has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Nextech, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

The relevant liability standards under insurance coverage procured by Nextech are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Nextech's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Nextech and/or its affiliates to potential conflicts of interest. Nextech attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Nextech's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other

Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Nextech will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Nextech consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

Nextech Ventures and its personnel have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Nextech Ventures is an independent operating business of Nextech and is affiliated with other Nextech investment advisers that do not have a place of business within (or conduct advisory activities from) the U.S., which includes Nextech Ventures' parent company Nextech Invest and the General Partners and equivalent entities formed from time to time. Such affiliates are excluded or exempt from registration with the SEC under the Advisers Act and, as applicable, file notices of such exemption on Form ADV with the SEC and operate in compliance with any related requirements and/or undertakings as prescribed by the SEC. Nextech Ventures' advisory services that it provides to Nextech Invest in respect of the Funds pursuant to the Sub-IAA necessitates communication and information sharing between such Nextech affiliates and their distinct personnel, however Nextech Ventures and Nextech Invest have implemented controls such that each are independently operated and Nextech Ventures' advisory services occur in a manner that is consistent with applicable SEC guidance regarding operationally independent advisory affiliates.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Nextech Ventures has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Nextech Ventures principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Nextech Ventures personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Nextech Ventures personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Nextech Ventures Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Megan Graziano, Nextech Ventures Chief Compliance Officer, at graziano@nextechinvest.com. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Nnextech Ventures and its affiliated persons may come into possession, from time to time, of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Nnextech Ventures and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Nnextech.

Accordingly, should Nnextech Ventures or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public and non-public company, Nnextech Ventures generally would be prohibited from communicating such information to clients, and Nnextech Ventures will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Nnextech Ventures personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of Nnextech Ventures and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also permitted to be presented to certain affiliates of Nnextech Ventures, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Nnextech Ventures and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

In borrowing on behalf of a Fund, Nnextech is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce

the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. Nextech will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

BROKERAGE PRACTICES

Nextech focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Nextech reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists.

If Nextech sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Nextech. In such event, Nextech will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Nextech reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Nextech has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Nextech generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Nextech seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Nextech generally does not make use of such services at the current time and has not made use of such services since its inception. To the extent that Nextech allocates brokerage business on the basis of research services, it expects to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution.

To the extent that Nextech engages in significant public securities transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount

of time of order receipt. To the extent that orders for Funds are completed independently, Nextech also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Nextech expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Nextech is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs. When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible, provided Nextech believes they are fair and equitable to its clients under the circumstances over time.

In Nextech’s private company securities transactions on behalf of the Funds, Nextech reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Nextech reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Nextech generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Nextech Ventures, in connection with its non-discretionary sub-advisory services in respect of the Funds, monitors companies in which the Funds invest, and the Nextech Ventures Chief Compliance Officer periodically checks to confirm that its advisory services in respect of the Funds are consistent with such Funds’ stated objectives.

Each Fund generally will provide to its limited partners (i) annual audited financial statements, (ii) annual tax information necessary for each limited partner’s tax return and (iii) periodic reports providing a narrative summary of the status of each portfolio company investment.

CLIENT REFERRALS AND OTHER COMPENSATION

Nextech and/or its affiliates intend to provide certain business or consulting services to companies in a Fund’s portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation in many cases will offset a portion of the Management Fees paid by such Fund. However, in other

cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. *See* “Fees and Compensation.”

Nextech reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements (relating to U.S. investors and U.S.-domiciled Funds) generally are disclosed in the relevant Fund’s Form D. Any fees payable to any such placement agents generally will be borne by Nextech indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

CUSTODY

Nextech Ventures does not have “custody” (within the meaning of Advisers Act Rule 206(a)-2) of assets associated with the Funds in connection with the non-discretionary investment advisory services that it provides to Nextech Invest in relation to the Funds. Audited financial statements for the Funds are delivered on an annual basis by Nextech Invest to such Funds’ Investors.

INVESTMENT DISCRETION

Nextech Ventures provides non-discretionary investment advice to Nextech Invest, who exercises investment discretion with respect to the Funds and determines whether to accept any investment recommendations provided to it by Nextech Ventures. As a general policy, Nextech Invest does not allow clients to place limitations on its discretionary authority. Pursuant to the terms of the Governing Documents, however, Nextech Invest and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Nextech Invest assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Nextech has adopted a policy governing proxy voting (the “**Proxy Policy**”) to address the voting of proxies, to the extent applicable, for any of its clients’ portfolio investments. The Proxy Policy seeks to ensure that Nextech votes proxies (or similar instruments) in the best interest of its clients, including where there may be material conflicts of interest in voting proxies. Nextech Ventures does not, however, currently vote proxies in connection with the Funds or its investment advisory activities. Such proxy voting authority for the Funds’ investments is exercised by Nextech Invest. Nextech does not consider service on portfolio company boards by Nextech personnel or Nextech’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. Clients or investors that would like a copy of Nextech Ventures’ complete Proxy Policy or information regarding how Nextech Invest voted proxies for particular portfolio companies may contact Megan Graziano, Nextech

Ventures' Chief Compliance Officer, at graziano@nextechinvest.com, and it will be provided at no charge.

FINANCIAL INFORMATION

Nextech does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.