



COVIMRO LTD

TERM SHEET

SALE OF SERIES SEED ORDINARY SHARES

Company Covimro Ltd, company number NI669206

Founder James A Lindberg

Investors Those investors who subscribe for shares as part of this round.

Structure of Financing The financing will be up to an aggregate of £2.5m at a fully diluted pre-money valuation of £25m. If oversubscribed up to £5m funding can be secured at the same valuation.

Conditions to Close (i) completion of confirmatory due diligence and anti-money laundering checks (ii) receipt of all necessary consents (iii) execution of definitive investment agreement (iv) adoption of amended articles of association and (v) all employees having entered into service agreements containing IP assignment provisions.

Estimated Closing Date Estimated Closing Date September 21st October 2021
Type of Security Ordinary Shares. ("Shares") to be issued in two series if EIS qualification is sought. EIS The Company will seek to qualify the investment under the Enterprise Investment Scheme and shall use reasonable endeavours to provide EIS certificates (as appropriate) for the investment by the Investors

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Pre-emption on issue All shareholders will have a pro rata right, but not an obligation, based on their ownership of issued capital, to participate in subsequent financings of the Company (subject to customary exceptions). Any shares not subscribed for may be reallocated among the other shareholders.

Pre-emption on transfer All shareholders shall have a pro rata right, but not an obligation, based on their ownership of Ordinary Shares, to participate in transfers of shares by other shareholders (subject to customary permitted transfers, including transfers by Investors to affiliated funds).

Drag Along In the event that the holders of a majority of the Ordinary Shares wish to accept an offer to sell all of their shares to a third party, subject to the approval of the Board, all other shareholders shall be required to sell their shares or to consent to the transaction on the same terms and conditions.

Board Composition The Founder shall be permitted to appoint one director so long as he/she holds 5% or more of the issued share capital of the Company ("Founder Director"). The Investors as a whole shall be permitted to nominate one director whose appointment shall be subject to the consent of the Founder who shall (in giving such consent) at all times act reasonably and in the best interests of the Company. The Founder Director shall have a casting vote.

Restricted Matters The Founder shall exercise the rights attaching to his shares and his votes as a director of the Company to procure that the Company shall not do any of the matters set out in the Appendix without the consent of over 50% by shareholding of the Investors.

Information Rights The Investors shall receive quarterly reporting and quarterly financial information. In addition, the Investors shall receive annual statutory accounts.

Documentation & Warranties An investment agreement shall be drafted by counsel to the Company and shall include customary warranties of the Company (which shall be liable up to a maximum of the investment amount).

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The articles of association of the Company shall be amended to reflect the share transfer provisions detailed above.

Expenses Each party shall pay their own legal and other fees and expenses in the transaction.

Confidentiality The Company and Founder agree to treat this term sheet confidentially and will not distribute or disclose its existence or contents outside the Company without the consent of the Investors, except as required to its shareholders and professional advisors.

Non-binding effect This term sheet is not intended to be legally binding, with the exception of this paragraph and the paragraphs entitled "Expenses" and "Confidentiality", which are binding upon the parties hereto and shall be governed and construed in accordance with the laws of England and Wales.

Acknowledged and agreed:

INVESTOR

COVIMRO LTD

Name: _____

Name: _____

Sign: _____

Sign: _____

Date: _____

Date: _____

APPENDIX



RESTRICTED MATTERS

The Founder shall use his reasonable endeavours to procure (so far as is lawfully possible in the exercise of his rights and powers as a shareholder and director of the Company) that the Company shall not, without the majority consent of the Investors:

1. cease to be a private company or change (by whatever means) the nature of its business from the type of business conducted on or prior to the date of this agreement, as varied from time to time; or
2. amend its articles of association or the objects contained in its memorandum of association; or
3. alter any rights attaching to any class of share in the capital of the Company; or
4. conduct its business otherwise than in the ordinary course of business on an arms length basis; or
5. do, permit or allow to be done any act or thing whereby the Company may be wound up, or enter into any compromise or arrangement under the Insolvency Act 1986; or
6. merge or amalgamate with any other company or undertaking, or acquire directly or indirectly any interest in any shares or other security convertible into shares of any other company, or form or acquire any subsidiary; or
7. purchase, lease or otherwise acquire assets, or any interests in assets, which exceed the value of £500,000; or

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8. enter into any other contract, transaction or arrangement through which the Company incurs or may incur any liability in excess of £500,000; or
9. give any guarantee, make any payment or incur any obligation or act as surety otherwise than in connection with the ordinary business of the Company for the time being; or
10. lend or agree to lend, grant any credit or make any advance to any person otherwise than in the ordinary course of the business of the Company.