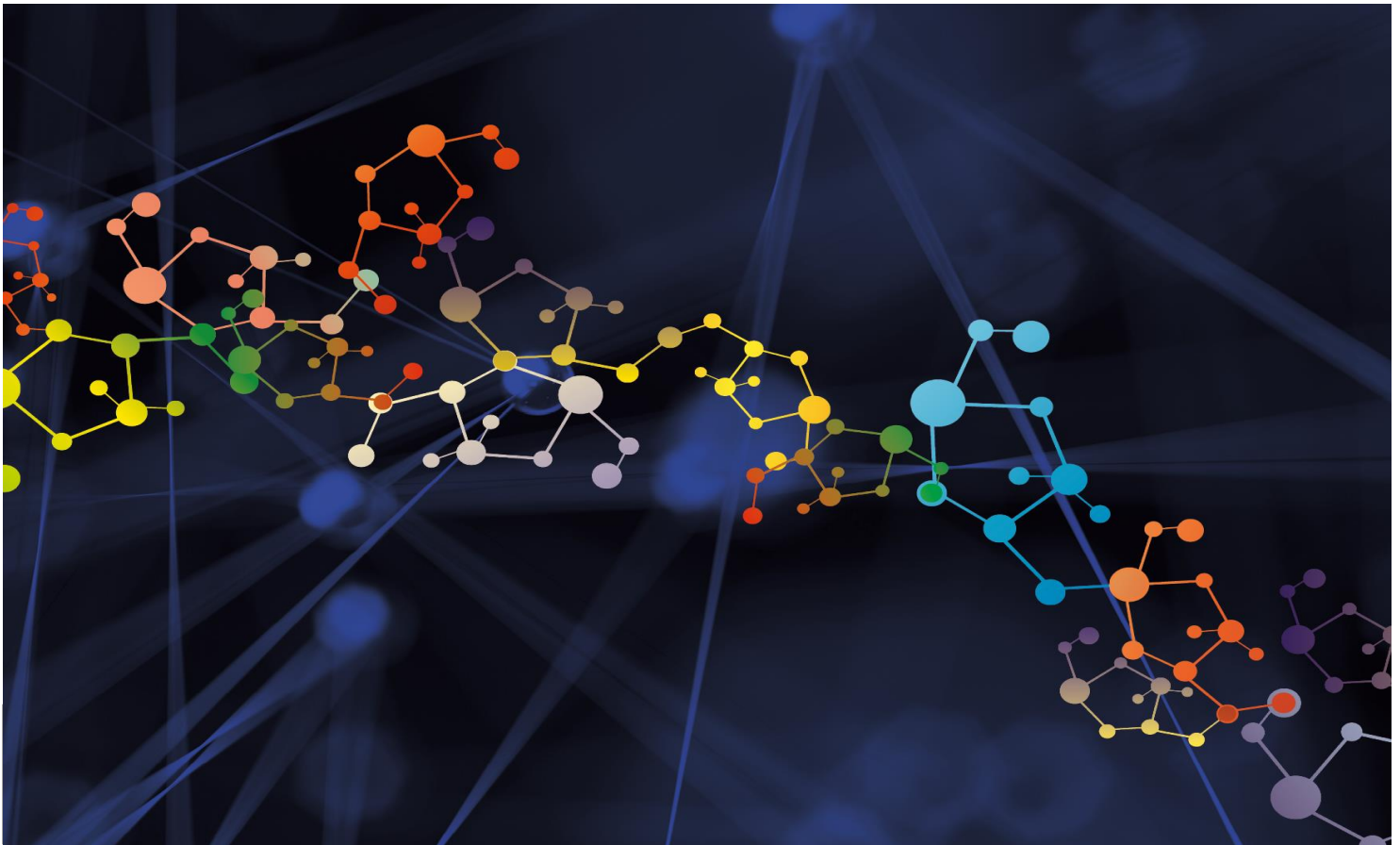


Guide to OION Limited Overview of how the network operates

2018



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Overview

Oxford Investment Opportunity Network Limited (OION Ltd) is authorised and regulated by the Financial Conduct Authority. Our FCA reference number is 564525. Please note that we act for entrepreneurs and companies seeking to raise finance. We do not act for our investor members and our investor members are not our clients. Accordingly, we are not responsible for providing any protection to members or other investors that would be afforded to clients under the regulatory system and we are not responsible for providing advice in relation to any investment opportunities that we may draw to the attention of our members.

OION Ltd is part of the SQW Group that also includes SQW, Oxford Innovation & Oxford Innovation Services. SQW gives OION Ltd access to first-class research, analysis, and advice on economic and social development. Oxford Innovation manage a nationwide network of 20+ Innovation Centres which host and support over 900 start-ups and SMEs. Oxford Innovation Services have experience & expertise in the delivery of business services & coaching programmes.

The three trading names under OION Ltd are:

Oxford Investment Opportunity Network (OION, www.oion.co.uk) established in 1994 as one of the UK's first business angel networks. With interest in companies with a strong barrier to entry, often patented or platform technologies, but any company with a strong vision for growth is considered. Linking investors to companies with high growth potential seeking investment from sub £200k to ~£1.5 million.

Thames Valley Investment Network (TVIN, www.tvin.co.uk) established in 2003 in the Thames Valley region, targets technology companies, usually "first mover advantage" with sales proving the market. With companies seeking sales development investment from ~£150k to £750k.

Oxford Early Investments (OEI, www.oxei.co.uk) launched in November 2004 to provide a wider range but earlier stage investment opportunities, where investors give more than just investment. Companies seek smaller sums; match R&D proof of concept funding, or first market entry with companies seeking from £75k up to £350k often the Government tax scheme called Seed Enterprise Investment Scheme (SEIS) is relevant.

OION, TVIN & OEI, as part of **OION Ltd**, have also launched **The OION Fund** - investing quarterly in to both EIS & SEIS qualifying companies. Please see below for further details on this.

Activities and Services

Presentation meetings:

The network now draws companies from across the three named groups to present at a single Showcase event. At least seven Showcase events are held a year each featuring up to twelve companies. The events are currently held in January, March, May, July, September, October and December - see website for more detail.

Additionally, syndicate Meetings/Workshops specifically for investors are regularly arranged. This also provides the opportunity for Showcase companies to present again to an invited group of investors that have interest and may have started Due Diligence on the company. Alongside this we will support all investors in developing their investment skills at workshops and events where self-support and knowledge exchange are key.

Investors

Individual or Corporate Investor Benefits:

- Access to a dedicated Network Manager, sourcing potential investment opportunities aligned to investors' needs
- The opportunity to attend each Investment Meeting throughout the year with access to all presenting companies seeking investment
- Access to networking opportunities with other Angel Investors, Investor Syndicates, VC companies, Fund Managers and key business personnel associated with the network
- The opportunity to attend sector specific Investment meetings, events and seminars, run with Sponsors and Associate companies throughout the year
- The opportunity to be selected as an approved member of OION Ltd and attend selected Dry-Run panel sessions held a week prior to any Investment Meeting
- Opportunity to support our SEIS & EIS portfolio companies

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t: +44 (0) 1865 261480 • www.oion.co.uk • www.tvin.co.uk • www.oxei.co.uk

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Companies

Contact by potential companies comes from many sources, including direct by email, recommendation from the Business Angel Network, word of mouth, network members and associate members or from the innovation centres.

Process

1. Deal Evaluation

The Network Manager will evaluate each proposition. If it is felt to be deal ready and has potential to raise funding from our membership, we will contact the company direct. Being 'deal ready' is difficult to define in precise terms but it usually means:

- a valid and scalable business proposition
- a credible and committed founding/management team
- a reasonable expectation on the valuation of the Company
- barrier to entry/niche in market
- knowledge of market
- awareness of Competitors

2. If we offer the opportunity to present at an OION Ltd meeting we will provide the following services:

Dry Run Presentation: A review of your deal readiness pack and a presentation of your proposition to a panel of investment experts and experienced business angels. You will be given feedback and advice on the content and presentation of your proposition before going forward to one of OION Ltd's Showcase events.

Proactive Marketing: Prior and post to event an overview summary of your proposition is circulated via email to all our investors. You will be responsible for producing the content and accuracy of this document.

Web Site Listing: a brief summary of your proposition (which is anonymised) will be promoted on the Network website.

3. We will help with the process of closing funding. This does not replace the need for relevant professional advice, we can provide opinions but not advice on legal, accounting or tax matters.

For this process we provide the following:

- Nearly all investors will want to carry out detailed due diligence on your Company prior to investing their funds. We help you provide the detailed due diligence information and documents. This can also be made available through our on-line portal
- You will populate your company profile with relevant data and supply information
- You will own the information provided and you will be solely responsible for ensuring its accuracy and completeness
- The detailed information will only be available to invited investors

Format of Investment Meetings

Investment Showcase	Overview	Syndicate/Workshop events
<ul style="list-style-type: none"> ▪ Up to 12 company pitches ▪ 5 minute presentations 	<p>7 Showcase events each year</p> <p>Direct face2face networking with investors</p>	<p>Companies that have presented at a Showcase with initial interest from investors. OION Ltd will support and arrange a meeting where investors can do a more detailed review of the business. Potential interest under The OION Fund.</p>

Costs to Companies: (please note VAT will be charged at the standard rate on all fees)

£325 for companies offered a pitch slot at Showcase meeting.

A wholly contingent success fee of 5% is charged on funding raised through the network (unless from The OION Fund – see below).

The OION Fund: if a company is successful in going through the due diligence process and is offered SEIS/EIS investment from The OION Fund, a success fee of 3.25% is levied on this amount. This is in place of the 5% success fee which would remain the rate chargeable on any other investment received through the network.

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Equity Investment: The OION Fund

In partnership with Fund Manager Innvotec, The OION Fund invests in a blend of EIS & SEIS companies. The Fund is Evergreen offering quarterly closings and, as of August 2018, has made close to 60 investments in more than 25 companies.



The selection process of Investee Companies is:

- Source and screen from OION Ltd's Showcase events:
 - candidates at different stages of development
 - include candidates that are not only high technology
- Select for rigorous due diligence dependent on pitching performance and meeting minimum threshold growth criteria
- Select for investment dependent upon satisfactory due diligence and terms negotiation
- 3.25% success fee (reduced from 5%) on invested amount should investment by the fund be made following panel agreement and approval.

OION Ltd and Innvotec will work closely with investee companies:

- Post-investment support utilizing OION's network of many seasoned advisors
- Regular formalised reporting through Innvotec to investors
- Companies encouraged to exit within 5-8 years where possible

Business Angel CoFund

OION Ltd was one of the bid partners with Capital for Enterprise to the Regional Growth Fund that has formed the Business Angel CoFund, which now stands as £100m; geographical restraints have been removed. If a company raises any funding from angels there is the opportunity to potentially raise 2:1 funds (£1 for every £2 of angel investment). Contact us direct for further information.

Enterprise Europe Network

EEN help small companies seize the unparalleled business opportunities in the EU Single Market. Oxford Innovation is a member of the Enterprise Europe Network, linked up through powerful databases, sharing knowledge and sourcing technologies and business partners across all Network countries. Local support for businesses with a global ambition. www.enterprise-europe.co.uk or Tel: 01865 261480



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