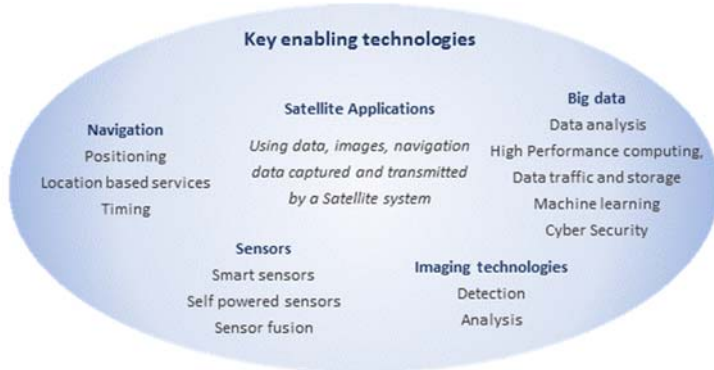


SPACE NET VENTURES (S)EIS Fund, (“the Fund”) will be investing into **UK based early stage companies** developing and exploiting key enabling technologies underpinning the emergence of **Satellite Applications** and services and the **Internet of Things** (“IoT”) revolution.

Space Net Ventures is a “data fund”, not a “rocket fund”.



We will NEITHER invest in rockets NOR massive infrastructure projects. Instead, we will invest in:

- primarily the technologies that use the existing third-party commercial space infrastructure, which is developing rapidly with low cost satellites, and,
- occasionally in technologies (instrumentation and probes for instance) that get exploratory rockets into space.

The focus of the Fund is downstream application and its overlap with IoT, including **big data and data analysis, sensors, imaging, navigation and telecommunication technologies**.

High Growth, Strategic and Disruptive

In both the satellite applications and the IoT sectors, **truly innovative and disruptive products and services** are emerging, with **massive new markets** opening up, representing **real high-growth investment opportunities**.

Both sectors have been identified as **strategic areas of growth for the UK** and benefit from a thriving and supporting ecosystem with a unique source for these key enabling technologies, in their top-rated research infrastructure, universities, and thriving start-ups ecosystem.

The UK Space Sector

- is a **genuine success story** and is one of the six key identified areas of the **UK Government Industrial Strategy**
- Estimated at £11.8 billion in 2013 and targeted to grow to **£40 billion by 2030**
- **85% of this targeted growth** will come from Satellite Applications



The IoT sector

- is predicted to be a **bigger revolution** than the first internet revolution
- with an estimated global economic impact ranging between \$2.7 trillion and \$6.2 trillion by 2025
- is really **an enabler impacting all industries** with so-called “Smart” solutions

WHOEVER LEADS THIS FIELD WILL LEAD ECONOMIES BECAUSE THESE TECHNOLOGIES CONSTITUTE A DRIVER OF COMPETITIVE ADVANTAGE ACROSS MANY INDUSTRIES. THIS INCREASED INDUSTRIAL COMPETITIVENESS ULTIMATELY TRANSLATES INTO JOBS.

These two fields are currently attracting increased attention from investors, venture capitalists, policy makers and global businesses.

Access to a unique and balanced pipeline of investment opportunities

In order to give access and bring a balanced portfolio of high quality investment opportunities to individual investors, our strategic approach has been to build **partnerships**, formal or informal, **with leading universities and specialised incubators**. These are some with whom we have already established a relationship:

Innovate UK
Knowledge Transfer Network



CATAPULT
Satellite Applications



UNIVERSITY OF
EXETER



IdeaS

**Science & Technology
Facilities Council**

SFN
Satellite Finance Network

UNIVERSITY OF
LEICESTER

We are continuously developing new partnerships and will be adding significant universities, research institutions and specialized incubators within the next few months to this list.

In order to ensure **optimal portfolio diversification**, the Fund's capital will be invested in various stages, from **Seed rounds up to Series A rounds, including follow-on rounds**. The Fund will favour investment opportunities which tend to be less capital intensive, fully scalable and where the capital invested can be best leveraged. It is estimated that the Fund's expected net annual return after EIS income tax relief and fees could range between 14% and 24% over a five year period.

The Team – Space Net Ventures

The Fund will be managed by SPNV Limited, trading as Space Net Ventures, which is authorised and regulated by the Financial Conduct Authority.

The Investment Team comprises Claire Pidancet, Terry Swainbank, the former and founding investment manager of the Rainbow Seed Fund, Frank Daly, Roger Blears as non-executive Chairman and an Independent Investment Committee of Peter Dicks, Professor John Wood, Peter English and John Gregory.

The Investment Team of Space Net Ventures brings together a **unique set of skills, including scientific, technical, financial, specialised legal and business expertise, with a strong collective experience in IP commercialization**.



This team is **extremely well connected across the scientific community in the UK, across Europe and within the USA as well as within the City of London**.

Space Net Ventures has also set up an Experienced Directors and Executives Network ("EDEN"). **Members of EDEN are experienced individuals with industry specific expertise and connections** in the Satellite Applications and IoT fields, but also in ICT and digital technologies, Healthcare and Biotechnologies, Energy and Renewables, Engineering and Automotive, Manufacturing and Advanced Materials, which may prove relevant as and when an Investee Company approach a new market or a new industry.

A Snapshot of our pipeline

Earth Observation

Company A curate the best of the world's satellite, airborne and drone imagery to create an up-to-date view of our world that everyone can explore, anytime. It has developed a proprietary set of analytics allowing the processing of a huge amount of image data and additional machine learning tools to analyse and extract relevant information; its first targeted vertical is the **construction industry** providing a way to automatically detect and monitor changes in building construction sites around the world and it has the potential to scale and serve the **energy industry** and the **insurance industry**. The Company has a clear understanding of its competitive landscape and of its commercial strategy and it has signed a partnership with a **leading global information company**. It is currently raising a £2m series A round, with £1m already committed.

Company B provides intelligence products and services to the **Banking, Financial Services and Insurance sector**. For the insurance industry, it provides a "Catastrophic event" tool, allowing rapid and accurate loss estimation, in case of flooding for instance and currently derives recurring revenues from an annual contract with a **major re-insurance company**. For the financial industry, it provides additional data for commodity traders, for instance currently providing data about major oil terminals around the globe to the **commodity trading desk of a major oil company**. The Company has demonstrated early customer traction, it is generating revenues and is currently raising a £2m series A round to finance its scaling-up.



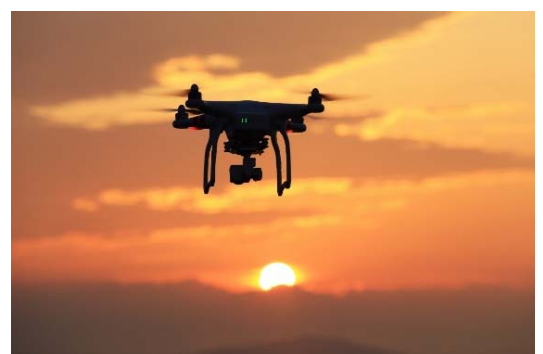
Background - the Earth Observation market is predicted to be worth \$5 billion by 2025 (source: NSR). Satellite images (optic and radar) can be used in many sectors: financial markets (refinery fill rate analysis, car park fill rate analysis), business intelligence, industrial competitor analysis and asset monitoring (construction, mining, oil and gas), agriculture (crop mapping, forestry mapping) and government data (flood analysis, urban growth, civil security). In terms of data sources, ie satellites images, the high-resolution market is still dominated by a few key players, but this is changing rapidly, with many new constellations of satellites being currently financed and due to be launched within the next few years.

Drones

Company C integrate images from satellite and automated drones to monitor high value crops and precisely identify fields areas that need fertiliser, thus allowing timely remedial actions, reducing the cost of spraying and providing a greener solution **to farmers**. The company has partnered with a crop specialist, an independent farm and the largest whole-seller of potatoes in the UK and it's route-to-market strategy is "**B-to-B-to farms**". Still at an early stage, but having made very good progress in the past 6 months, the company is currently raising a £120k seed round.

Company D uses data from drone mapping to turn real world objects into realistic digital models, that can then be further integrated into design software, for instance to visualise (and perform calculation and design) a still to be built bridge with the surrounding terrain. The solution is currently the only one to integrate with software used by architects and the **building industry** (Autocad) and is "BIM 3" compliant. The company also benefits from a **specific license to operate drones**, which gives them a competitive advantage over potential competitors. The company is currently raising a £650k bridge round and plan a £6.5m Series A round at the end of 2017.

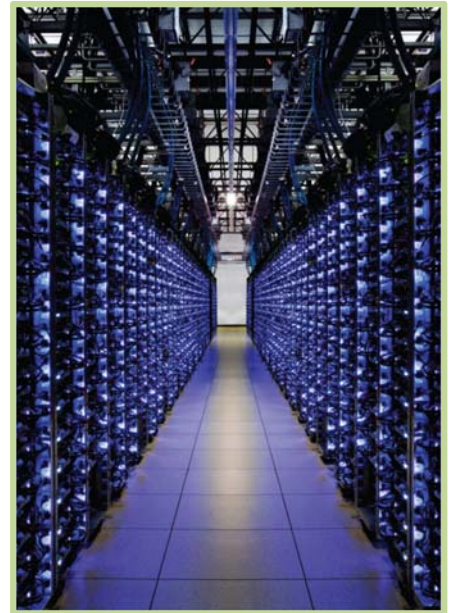
Background - the global commercial drone market itself is predicted to reach \$4.2 billion by 2024. While global corporations like Amazon are driving and will probably dominate deliveries by drones, this segment is interesting to us, because it overlaps with the Earth Observation market, with some start-ups already **combining images from satellites and drones**.



Internet of Things (IoT)

Company E is a **well-established SME** already providing enterprise software solutions to the **waste management industry**. Understanding the impact of the unfolding IoT revolution, the company is considering incorporating a new tool on its platform: the combination of wireless sensors accurately monitoring and reporting the fill level of bin containers and related analysis of such data in order to further optimise the collection of commercial waste, thereby further reducing costs for **its existing global customers**. Profitably generating revenues at its current scale, the company would need £140k of external funding to add and deploy such IoT solution to its service offering.

Company F is a spin out from a leading UK university. It has developed a technology that detects corrosion of pipes under the isolation layer. Once installed, this technology allows the ongoing monitoring of remote pipe installations, removing the need for regular inspection, and thereby providing massive savings for potential clients **within the oil and gas industry**. The company is still at an early stage and is currently raising a £150k seed round.



Background - the Internet of Things refers to connecting physical objects and devices to internet in order to deliver a “smarter” solution: smart cities, smart transport, smart grid, smart farms. This is a massive market and we are interested in this sub-segment when

- We are convinced of the value of the user case;
- Satellite communication might be used at some point to further expand the business of the start-up company. When making this type of assessment, we are being led by our discussions with established companies within the space industry.

Methodology

We have reviewed 55 proposals so far and have chosen to engage with 15 companies, with the view to invest in 5 to 10 of them. In addition to great technologies, the companies that have sparked our interest also have:

- a great team,
- typically received grants from public sources of funding (Innovate UK, H2020),
- demonstrated early commercial traction or signed key partnership with established and often global industrial players,
- a clear understanding of their respective strategic positioning.

This snapshot is illustrative, because we constantly receive new proposals and some start-ups may drop from our pipeline, either because they have secured funding elsewhere, or because we may decide to decline the investment following further due diligence.

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Investments in early stage unquoted companies are high risk. The Fund’s investments are likely to be illiquid and difficult to realise. The value of shares may go down as well as up and you may not get the amount originally invested. Accordingly, you should not invest unless you can afford to lose some or all of your capital. All SEIS/EIS tax reliefs are dependent upon an investor’s individual circumstances and are subject to change.