



INVESTMENT GUIDE





PSIONTM

NEXT-GEN VENTURE CAPITAL

Dedicated to building a better future...

You're the bold thinker within a sovereign fund and innovation matters to you. You know that working on the blueprint for the 22nd century is a matter of urgency. You recognise that innovation is driving economic development around the globe. Moreover, it's safeguarding your next generation and you are passionate about leaving a legacy for them.

You need to make investments to realise your big ideas, you need diligent thinking people, to find what feels like the invisible opportunities in a rapidly evolving investment landscape. Investing in Deeptech is extremely difficult to understand and sometimes leads to dead end investments. Is there such a thing as a protected investment opportunity?

Psion focuses on B2B deeptech investing, holistically bridging the gap between today and the future of mobility, with interconnected infrastructures both here on earth and in space.

We pinpoint the future of technology, finding the elusive opportunities for investment houses. We bring clarity with a diligent approach to the future direction of emerging frontier technologies, that will be the building blocks of our future.

We exist to make the right investment choices of today, for tomorrow. With valuable connections and over 20 years experience. We find the value where others fail.

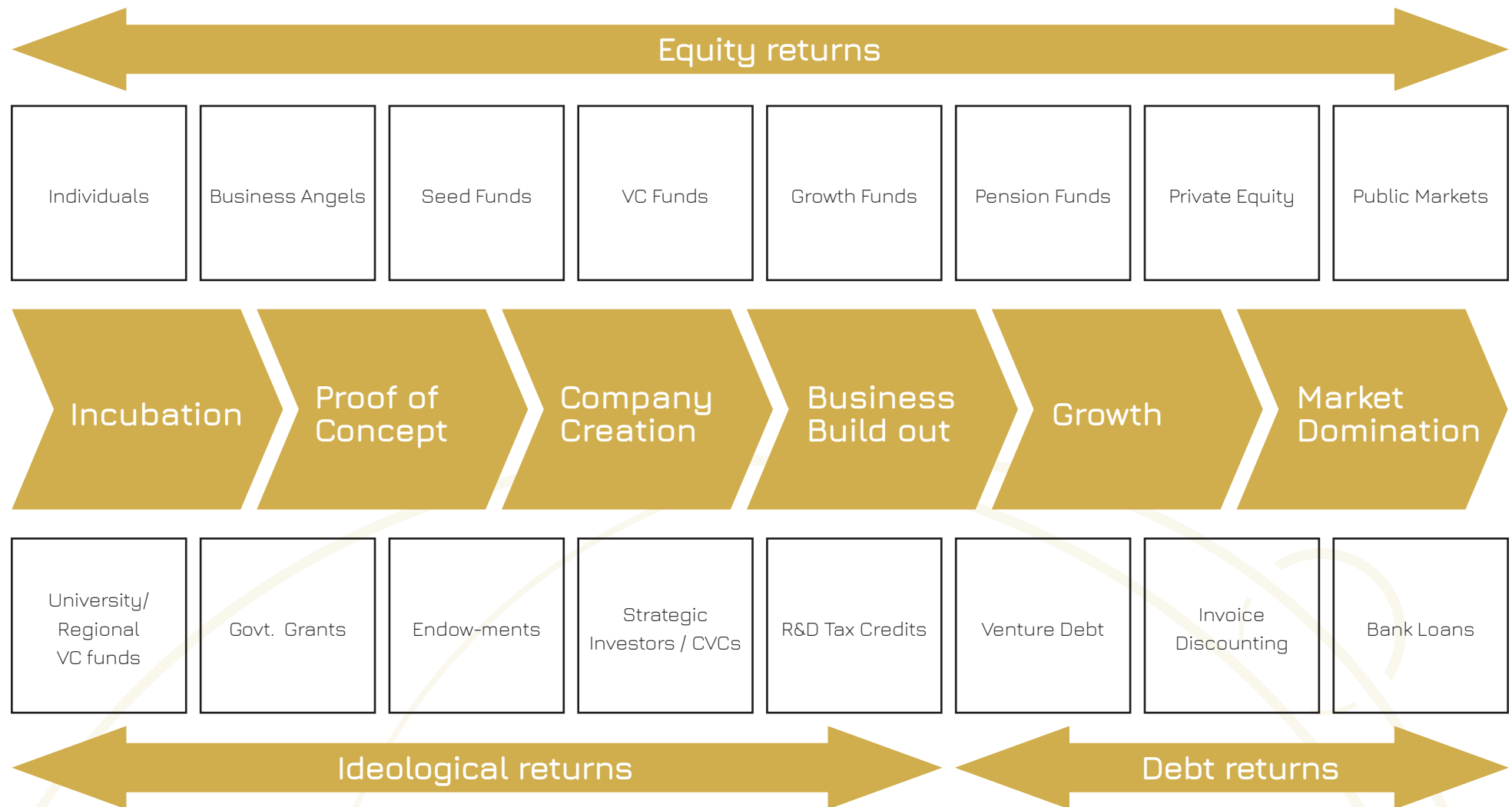
So, if you need help realising the potential of the future, with honest and trustworthy advice. If you need to invest in transformation, technology industrialisation at scale, where advancing human potential is a must, then we should be talking.

We're PSION Venture Capital, we're dedicated to building a better future...

for the children of tomorrow

Funding sources

Venture capital is not for everyone, there are other sources of capital that may be more relevant depending on the maturity of the business



Other possible sources of funding: Business plan competitions, European collaboration programs, hedge funds, customer up-front payments

A great VC can offer many things

You need to pick which ones are important for you

- Experience of building internationally competitive companies
- Extensive network of valuable contacts that are relevant to your industry vertical and have portfolio companies that might be interacted with
- Leverage with other organisations (banks, lawyers, access to local talent pools etc.)
- Access to follow-on capital – if not through their own fund then through others
- Help raising a subsequent investment round
- Knowledge about the exit process and capital markets

These could make the difference between success and failure

What VCs look for

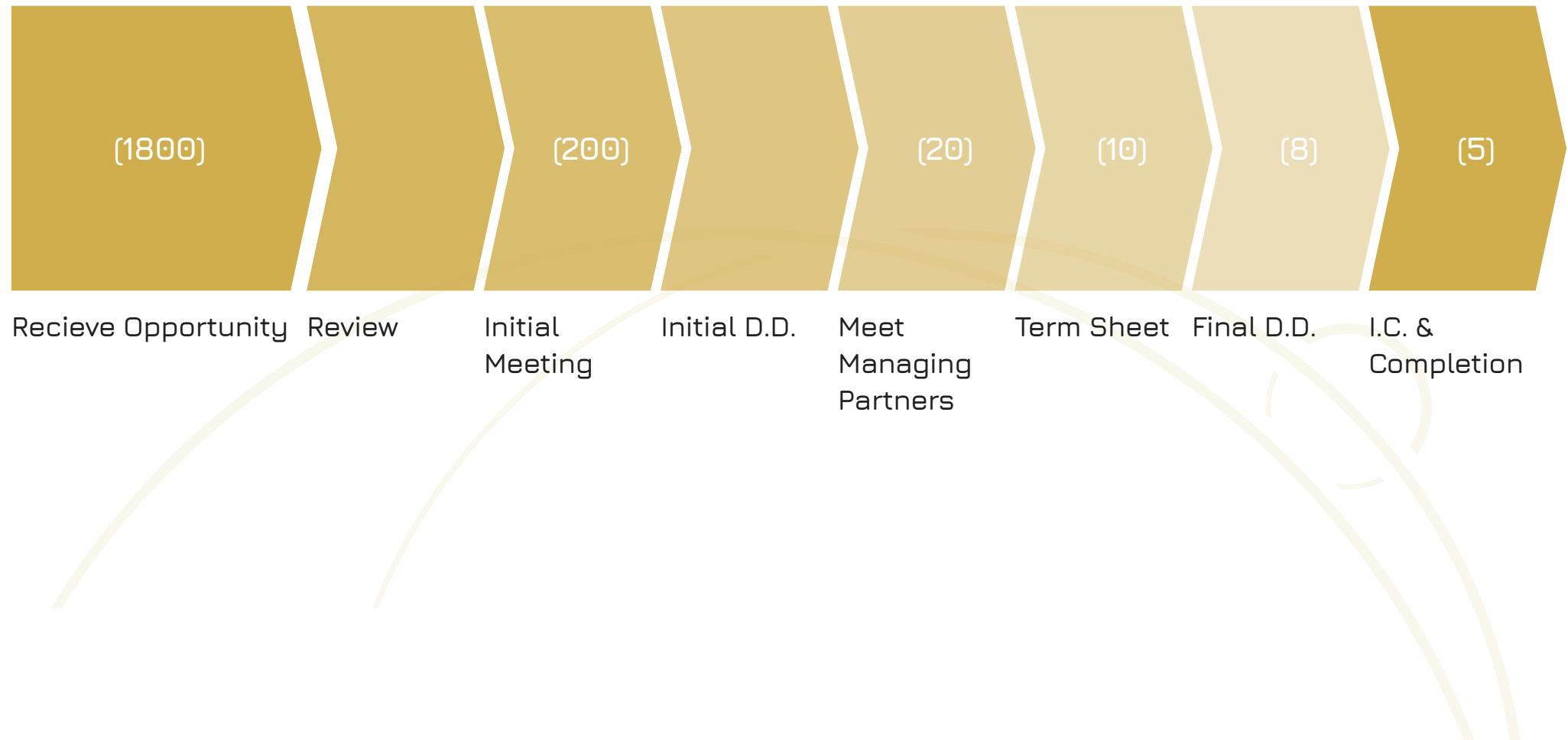
Your pitches need to be aware of these and play to them

- A warm introduction to promote arrangement of a first meeting
- High binary upside investment propositions
- You win, you win big
- You lose, you lose early
- Something that fits their investment profile
- But not one that overly concentrates their fund in any one area
- Management teams that can work out answers
- Most VCs will back a great management team over a great idea
- Paradoxically, management is the one thing a VC can change ...
- Capital efficient business models
- Early Proof of Concept (PoC) & customer adoption with relatively little capital invested
- High gross margin leading to strong operating leverage
- Deals that their competitors would love to do
- Catching the latest hot wave is what they are paid to do
- Consequently VCs can sometimes exhibit a herding mentality

Typical Fundraising Process:

Deal Flow Stages

- The Fundraising process usually varies according to the investor, so does timeline
- Biggest differentiator is when the majority of the due diligence (DD) is completed (pre term sheet or post).
- Below sets out the typical stages as an example.....



Fundraising Process: Very time consuming

- Fundraising process is very time consuming and takes time away from your day-to-day job
- Fundraising can take anywhere between 6- 8 months and sometimes longer
- Because it is time consuming seriously think about raising a little more to take the pressure off later on
- Additional resources can really leverage the opportunity
- Good “Accelerator” programmes recognise this and hence they offer their cohorts support in this process

Engage all the help you can across your Board, network etc.

Documents Required – Overview

What helps filter the best investor for you?

1. Fact sheet – enables the investor to quickly determine key facts about the business and whether he/she should pursue further 1 – 4 pages
2. Short Investor Elevator Pitch Deck – enables you to pitch the idea in a little more detail at your first meeting/or phone call 10 – 12 slides
3. Long Investor Pitch Deck – now the investor wants to know more and confirms that he wants to take things a little further minimum 20 pages but can be 70-80 pages
4. Financial model – 5 years, multi-entity if applicable, actuals, revenue scenarios, customer analysis, marketing channel analysis, valuation and investor returns
5. Investment Memorandum (IM) – some investors insist on this so that you flesh out your strategy etc. in pros.

Documents 1) & 2) definitely need to be ready to go before you start your fundraise. They summarise the likely content of documents 3) & 4) – optionally 5)

Should you need any help or clarification about your investments – please feel free to get in touch

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