

oxford technology

Prospectus

Oxford Technology Approved Knowledge-Intensive Fund

OTKI Q325

An HMRC-Approved Knowledge-Intensive Fund

September 2025

This document has been approved as an excluded communication for the purposes of Sections 21 and 238 of the Financial Services and Markets Act 2000 by Oxford Technology Management Ltd which is authorised and regulated by the FCA as a Small Authorised UK AIFM (Sub-Threshold) for the Fund

Important information

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take two minutes to learn more.

This Prospectus constitutes **an excluded communication for the purposes of Sections 21 and 238 of the Financial Services and Markets Act 2000 ("FSMA") and is communicated by Oxford Technology Management Ltd on behalf of the Fund.**

Oxford Technology Management Ltd ("OTM" or the Alternative Investment Fund Manager (AIFM), is authorised and regulated by the Financial Conduct Authority ("FCA") under FRN 121929.

Oxford Technology Management Ltd is authorised by the FCA as a Small Authorised UK AIFM (Sub-Threshold) for the Fund.

Oxford Technology Management Ltd
Registered Office: The Henley Building, Henley-On-Thames, Newtown Road, Henley-On-Thames RG9 1HG. Registered in England No. 01069573.

This Prospectus is issued solely for the purpose of seeking subscriptions from prospective investors for investments in the Oxford Technology Knowledge-Intensive Fund (the "Fund") which may only be made on the basis of the Information Memorandum and Application Form.

This Prospectus relates to investments in non-readily realisable securities. This prospectus is an excluded communication (as defined by the FCA) and as such is only made available to persons who are eligible to make use of an exemption under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) and the FSMA 2000 (Promotions of Collective Investment Schemes) (Exemptions) Order 2001. Accordingly, it may only be distributed to persons falling within the following categories of investor:

1. Existing clients of a financial adviser regulated by the Financial Conduct Authority;
2. Persons who qualify as a certified high net worth individuals in accordance with COBS 4 Annex 2R, i.e., those with an annual income (not including one-off pension withdrawals) of £100,000 or more, or net assets (not including a primary residence, pension, or rights under qualifying contracts of insurance) of £250,000 or more;
3. Persons who qualify as certified sophisticated investors in accordance with COBS 4 Annex 3R, i.e., those having received a certificate in the last three years from an authorised firm confirming they understand the risks involved in investments in unlisted companies;
4. Persons who qualify as self-certified sophisticated investors in accordance with COBS 4 Annex 4R, i.e., those who have in the last two years (a) worked in private equity or in the the provision of finance for small and medium enterprises, (b) been the director of a company with an annual turnover of at least £1m, (c) made two or more investments in an unlisted company, or (d) been a member of a network or syndicate of business angels for more than six months; or
5. Certified restricted investors in accordance with COBS 4 Annex 5R, i.e., those who have in the last twelve

months invested, and in the next twelve months intend to invest, less than 10% of their net assets in high-risk investments.

The Fund is an HMRC Approved KI Fund. The approval of a fund by the Board of HM Revenue & Customs is relevant only for the purpose of attracting certain tax advantages provided by section 251, Income Tax Act 2007. Such approval covers only certain administrative matters. It in no way bears on the commercial viability of the investments to be made; neither does it guarantee the availability, amount or timing of relief from income tax or capital gains tax (or that such relief may continue to be available in the future).

Past performance is not necessarily a guide to future performance and may not be repeated. The value of an investment in this product may go down as well as up and you may not get back the full amount invested (or any of the amount invested).

Tax treatment depends on the individual circumstances of each investor. Rates of tax, tax benefits and allowances referred to throughout this Prospectus are based on current legislation and HMRC practice. These may be subject to change. The availability of tax reliefs also depends on the investee companies maintaining their qualifying status.

Investors should be aware that investing in unquoted companies carries with it a high degree of inherent risk. Any investment in this product should be considered as a long-term investment as no established or ready market exists for the trading of shares in unquoted companies. OTM has taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects as at 2025 and that there are no material facts the omission of which would make misleading any statement made in this Prospectus.

Nothing in this Prospectus should be regarded as constituting investment, taxation, legal or other advice. Investing in EIS products is not suitable for everyone and investors should seek independent investment and tax advice before investing in any such products.

OTM does not offer investment and/or tax advice to investors in the Fund.

Executive summary

The features of OTKI Q325, an HMRC-approved fund, are as follows.

1. The fund has a closing date – 30 September 2025.
2. OTM expect to invest investors' money in a portfolio of 5 companies in which Oxford Technology is already an investor through OT(S)EIS. OT(S)EIS has a portfolio of about 50 Knowledge Intensive companies in all of which we have been actively involved since the beginning when we made the initial SEIS investment to help get the companies started. Because of this, we know the companies well and are in a good position to judge which offer the best chance a good financial return for investors.
3. Having a portfolio of 5 such investments spreads the risk.
4. As soon as the fund is 90% invested (and we would hope and expect this would be within a month or two – but we are putting a long-stop date of 30 June 2026) we inform HMRC. HMRC then authorises us to issue EIS5 forms to all investors. This form then enables investors to (based on the current tax regime) claim tax relief of 30% of their total investment in the fund and to claim this tax relief in the 25/26 tax year, or at their choice, in the 24/25 tax year. So the paperwork is hugely reduced. Investors make a single investment in the fund. They receive a single form a few months later which then enables them to claim their tax relief on their entire investment in the fund. An investor who invests £100,000 would be able to claim £30,000 income tax relief in the 25/26, or, at their choice, in the 24/25 tax year with a single form.
5. Separately OTM (Oxford Technology Management) will send each investor a report detailing the number of shares which they own in each of the investee companies, and thereafter a quarterly progress report on each of these companies and a quarterly valuation statement.

Background

Oxford Technology combined SEIS and EIS Fund – OT(S)EIS – has been making SEIS and EIS investments in start-up science companies since the SEIS scheme was introduced in 2012. The financial returns to investors have been good, although much of the gain remains on paper and will only be realised as cash when exits are achieved. Specifically the figures are as shown below.

Invested Capital:	£13.14m
Total OTM and WCS fees:	£1.56m
Total invested including fees:	**£14.70m**
Cash return from Tax Reliefs:	£5.38m
Cash return from Exits:	£2.86m
Total cash returned to date:	**£8.24m**
Cash due from Exits*:	£1.84m
Fair value of unrealised shares:	£25.32m
Further potential milestone payments on exits:	**£28.59m**

* True payouts may be greater (or worse). This figure is shown after deducting our performance fee and is made up of:

a) Shares in a NASDAQ-quoted company which we will sell when we judge the time to be right. As of 17 March 2025, these shares could be sold for more than £720,000.

b) The latest share price of 56p for the fund's total holding of 2,870,529 shares in the company formerly known as Lightpoint Medical Ltd, whose exit is in progress. The latest share price derives from the company's internal calculations based on the value of the owned shares in the acquiring company, the cash at hand and the potential exit costs to pay.

Oxford Technology starts by making an investment right at the beginning of a company's life. (We receive about 1,000 approaches each year and make 5 or 6 investments.) A typical investment is £75,000 in a PhD in a lab doing something interesting. The company will usually be pre-product, pre-sales and certainly pre-profits. The risks are enormous. There are so many things which can and do go wrong.

But the SEIS and EIS schemes offer huge tax advantages which mean that the losses on the failures are reduced to about 38.5% of the sum invested, while the gains on the winners can be very large and are tax free. The maths says it should work – and so far it has.

OT's best result so far is Ducentis. Someone who invested £25,000 in OT(S)EIS in 2014 would have had £5,000 invested in this company. After tax relief and including fees his/her total investment would have been £3,412. So far this investor has received (after deducting all fees) £23,332 in cash (all tax free). In addition, he owns shares in the acquiring company currently worth £13,744 (these are quoted on NASDAQ and will be sold when we judge that the time is right). The

acquiring company has announced that the event which will trigger the first milestone payment in H2 2025. This will result in a further payment (also tax free) of £14,995. This will take his total cash return to £52,061. The value of all the potential future milestones (very unlikely, but so far so good and at least possible) is £639,745.

OT was the first and only investor in Ducentis when the company was founded in 2015. The purpose of the original investment (£50,000) was to conduct an experiment in a lab to enhance the affinity of a particular protein. If this worked, the idea was that this might then form the basis for a treatment for rheumatoid arthritis and other autoimmune diseases. The risks were enormous, and there was a significant chance that the investment would fail and all the investment would have been lost. Had this happened the investor would have lost about £1,975 after tax reliefs, assuming a 45% taxpayer.

After the initial experiment was successful, Ducentis needed to raise additional capital. The risks were now significantly reduced and the share price at which this money was raised increased. Specifically the company raised £1.5m. OT(S)EIS invested £160,000 at 36p per share in March 2017, £45,314 at 40p per share in March 2018, and £53,820 at 70p per share in March 2019.

The returns on all these investments were very large but, as noted elsewhere, investments can go down as well as up.

The objective of OTKI Q325 is to be able to take advantage of these opportunities as and when they arise.

Because OT invests right at the start (in most cases we are the only investor to begin with) and because we get actively involved (typically a short 15/30 minute meeting – these days mostly by Zoom – every month or in some cases every fortnight), OT gets to know the founders well. In particular we get to know the things which the founders might prefer that we didn't know, such as problems with personnel and patents. All this puts us in a very good position to know which companies are worth backing and at what valuation and which do not merit further investment.

We currently have a portfolio of more than 50 knowledge-intensive investees, many of which, probably 50%, either are currently or will be seeking to raise additional capital in the next year.

The idea of OTKI Q325 is to be able to enable investors to invest in a portfolio of 5 such investments. These are significantly derisked since our initial investment which may have been 5 or even 12 years earlier, and which are therefore that many years closer to an exit.

Summarising:

OTKI Q325 closing date: **30 September 2025**

Target issue of forms EIS5: **31 May 2026**

(NB. We already have a very good idea of which of the 50 KI companies in our existing portfolio we will seek to invest in. But we cannot ever make firm guarantees, because circumstances can change and we will never make what we consider to be a bad investment simply in order to meet an objective to invest by a certain date. So the worst case scenario is that we do not manage to invest 90% of the fund by 31 May 2026 and need to take a few more months to achieve this

objective. We consider this to be unlikely and think it more likely that the fund will be 90% invested much more quickly, probably by 31 December 2025.)

What is an approved knowledge-intensive fund?

An EIS knowledge-intensive approved investment fund is a fund that is approved by HMRC and focuses investments on companies that qualify as knowledge intensive. Such a fund has the following requirements:

- Of the fund's capital, at least 80% must be invested in companies that were knowledge intensive at the time of the share issue.
- The fund must have invested 50% of its capital within 12 months of the date the fund closed and 90% within 24 months.

We aim for OTKI Q325 to invest 90% of the raised capital by 31 March 2026.

Once we invest the fund's capital and obtain EIS approval for each investment, HMRC will authorise us to issue investors with EIS5 forms, enabling investors to claim income tax relief of 30% of their invested funds **in either the tax year when the fund closed, or the tax year before that**.

For example: an investor makes an investment in OTKI Q325 in September 2025, and the fund closes on 30 September 2025, that is, in the 25/26 tax year. Over the next six months, OTM invests all of the fund's capital, provides the necessary investment information to HMRC, and receives authority to issue an EIS5 certificate to the investor. With the form EIS5, the investor is entitled to claim relief in the 25/26 tax year, or carry back the income tax relief to the 24/25 tax year.

What are the risks associated with OTKI Q325?

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk. The reasons for this are as follows:

1. You could lose all the money you invest. If the business you invest in fails, you are likely to lose 100% of the money you invest. Most start-up businesses fail.

2. You are unlikely to be protected if something goes wrong. Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance by the Fund.

3. You won't get your money back quickly. Even if the Fund you invest in is successful, it may take several years to get your money back. You are unlikely to be able to sell your investment early. If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these.

4. Don't put all your eggs in one basket. Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well. A good rule of thumb is not to invest more than 10% of your money in high-risk investments.

5. The value of your investment can be reduced. The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares. These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment. If you are interested in learning more about how to protect yourself, visit the FCA's website at https://www.fca.org.uk/investsmart.

How does OTKI Q325 differ from the Oxford Technology Start-up Fund?

When you subscribe to our flagship start-up fund OT(S)EIS, your money is invested over three years, with SEIS investments in the first year and EIS investments in the second and third. You receive a separate SEIS3 or EIS3 form enabling you to claim income tax relief in relation to each individual investment over that period.

In contrast, when you invest in OTKI Q325, your money is invested over a shorter time span (we aim for 3–6 months). We will then send you an EIS5 form, enabling you to claim EIS tax relief on your total investment in the fund with this single form.

OT(S)EIS operates on a rolling basis and is able to take on new investors at any time. By contrast, OTKI funds, of which OTKI Q325 is the third, have fixed closing dates. All the investors in each OTKI fund will have exactly the same pro-rata shareholdings in all the investments made by that particular fund.

What sort of investments does Oxford Technology make?

Through our funds OT(S)EIS, OTEIS, and OTKI (so far in its third iteration – OTKI Q325), we invest in a portfolio of life, physical, and data science start-ups based mostly in and around Oxford and London, at the pre-seed and seed stage. We get actively involved to help our portfolio companies to develop scalable business models, robust pricing strategies, and effective R&D programmes, all with a view to long-term growth and success. The founders in whom we invest may be brilliant scientists, but they won't have negotiated a deal with a US distributor before.

Each quarter we produce a detailed report for our investors. This has a page of information on each of the more than 50 companies in the portfolio. It is very transparent. There is a table showing all the failures and the losses on these, as well as table of the exits and the gains on these. While past performance cannot and should not be taken as a guide to future performance, there is no better way to get an idea of what we do and our style of investment than by reading the latest quarterly report – downloadable from www.oxfordtechnology.com.

What are the tax benefits of OTKI Q325?

OTKI Q325 will make EIS qualifying investments. EIS investments provide a range of tax reliefs to investors, as a way to offset some of the risk of investing in small, early-stage companies.

EIS investments provide income tax relief of 30% of the original investment. The tax relief for knowledge-intensive funds like OTKI Q325 can be spread between the tax year in which the fund closes and the preceding tax year. Each investor can make a maximum of £2m of EIS investments in a single tax year, provided the investment in companies that are not knowledge intensive does not exceed £1m.

Investors who receive income tax relief on their investment and dispose of the shares resulting from the investment at least three years after the shares are issued **pay no capital gains tax** on gains from the investment.

In the event that shares are disposed of at a loss, an investor can choose to declare their income as being reduced by the amount of the loss, thus reducing their income tax. This share loss relief can be applied to the tax year in which the shares were disposed of, or the previous year.

Shares in unlisted companies, of the sort you can acquire through an investment in OTKI Q325, are subject to business property relief. Starting from 6 April 2026, they will count, alongside agricultural property, towards a £1m allowance that is free from inheritance tax. Above this allowance, they will enjoy 50% inheritance tax relief, that is, they will be taxed at 20%.

Only the investor knows their own particular tax situation and a tax benefit should be considered in the context of your own particular circumstances. Tax relief can change and Oxford Technology Management can offer no personal tax advice.

Fees

The minimum investment in OTKI Q325 is **£20,000**.

We charge no upfront fees so that 100% of your investment is available for the EIS tax break.

We will charge the companies up to 5% fees on your investment.

We will also accrue fees of 1.5% per year to a maximum of 6% which will be taken out of payments returned to you.

Once you have received back all the money you invested, we will take 20% of the returns.

We will pay the 0.15% per year custodian fee out of the fees we charge you.

Example:

Here is an example for an investor who invests £50,000. (We show an example 3x return on investment. This does not constitute a forecast or guarantee.)

Investor subscription:	£50,000	
Tax break:	£15,000	
Money at risk after tax break:	£35,000	
Performance fee threshold:	£50,000	(we do not take tax breaks into account in our performance fee calculation for OTKI Q325)
Example return from investments:	£150,000	
Fees charged to investor:		
Accrued fees 6%:	£3,000	
Amount over threshold:	£97,000	(£147,000 − £50,000)
Performance fee charged:	£19,400	
Returned to investor:	**£127,600**	
Net after-tax cost of investment:	**£35,000**	(£50,000 less £15,000 tax refund)
Multiple:	**3.6**	

How do I apply to invest in OTKI Q325?

To invest in OTKI Q325, please read the Information Memorandum and complete the Application Pack.