

## OVIO TECHNOLOGIES, INC.

### MEMORANDUM OF TERMS FOR FLASH CONVERTIBLE SECURITIES

This Memorandum of Terms represents only the current thinking of the parties with respect to certain of the major issues relating to the proposed private offering and does not constitute a legally binding agreement. This Memorandum of Terms does not constitute an offer to sell or a solicitation of an offer to buy securities in any state where the offer or sale is not permitted.

#### **THE OFFERING**

- Issuer:*** oVio Technologies, Inc., a Delaware corporation (the “**Company**”).
- Securities:*** Flash Convertible Securities (“**Flash Convertible Securities**”).
- Exemption:*** The Flash Convertible Securities are being offered and sold (the “**Offerings**”) to investors that are acceptable to the Company (“**Investors**”) pursuant to Rule 506(c) and/or Regulation S promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”).
- Platform:*** The Offerings are being conducted through the FlashFunders™ online platform located at [www.flashfunders.com](http://www.flashfunders.com) (the “**Platform**”) operated by FlashFunders, Inc. (collectively, with its subsidiaries and affiliates, “**FlashFunders**”).
- Amount of the Offerings:*** Up to a maximum \$5,000,000 of new investment from Investors. A minimum of \$250,000 of new investment will be required for the initial closing of the sale and issuance of Flash Convertible Securities.
- Offering Period:*** The Offerings of the Flash Convertible Securities will remain open until June 30, 2020.

#### **TERMS OF THE FLASH CONVERTIBLE SECURITIES**

- Maturity Date:*** Twenty-Four (24) months from the date of issuance.
- Qualified Equity Financing:*** Company Preferred Stock (“**Preferred Stock**”) financing of at least \$5,000,000.
- Discount Conversion Price:*** Lesser of (a) a \$25,000,000 valuation cap (obtained by dividing \$25,000,000 by the Company’s fully diluted capitalization) (the “**Valuation Cap**”); and (b) 80% of the

price per share paid by the other purchasers in a Qualified Equity Financing.

***Automatic Conversion:***

In the event the Company consummates a Qualified Equity Financing prior to a Company change of control or other liquidation event or a Maturity Conversion, each Investor's purchase price for a Flash Convertible Security (the "**Investment Amount**") shall automatically convert into shares of the Company's Common Stock ("**Common Stock**") and Preferred Stock sold in the Qualified Equity Financing at the Discount Conversion Price. The total number of shares issuable upon such conversion shall be determined by dividing the Investment Amount by the Discounted Conversion Price (the "**Total Number of Shares**"). The Total Number of Shares shall consist of (a) that number of shares of Preferred Stock obtained by dividing (i) the Investment Amount by (ii) the price per share paid by other purchasers in the Qualified Equity Financing (the "**Number of Preferred Stock**") and (b) that number of shares of Common Stock equal to the Total Number of Shares minus the Number of Preferred Stock.

***Maturity Conversion:***

In the event the Company does not consummate (a) a Qualified Equity Financing or (b) a Company change of control or other liquidation event prior to the Maturity Date, then at the election of the holder, the Investment Amount shall convert into shares of Common Stock at a price per share determined based on the Valuation Cap.

***Liquidation Event:***

If the Company consummates a Company change of control or other liquidation event prior to a Qualified Equity Financing or a Maturity Conversion, then, upon the election of the Investor, either (a) the Investor shall receive a payment equal to 1.5 times the Investment Amount, or (b) the Investment Amount shall convert into shares of Common Stock at the Valuation Cap (obtained by dividing \$25,000,000 by the Company's fully diluted capitalization, excluding for such purpose any unallocated shares in the Company's stock incentive plan(s) as of such date).

***Restricted Securities:***

The Flash Convertible Securities will be "restricted securities" for purposes of federal and state securities laws and may only be transferred pursuant to the terms of the Flash Convertible Securities.

***Amendments:***

The terms and conditions of the Flash Convertible Securities may be amended or waived with written consent of the

Company and holders of Flash Convertible Securities offered and sold in the Offerings having a majority of the outstanding investment amounts of all Flash Convertible Securities offered and sold in the Offerings.

## **DISPUTE RESOLUTION**

***Governing Law:***

Investment documents will be governed by Delaware law.

***Arbitration; Waiver of  
Class Actions Claims:***

Subject to limited exceptions, all claims relating to the investment in the Company will be subject to resolution by mandatory, binding arbitration. Claims may be brought only individually, and not as a class action or similar claim.