

Academic to Industrial Success: Single Cell Diagnostic Systems

23rd March 2016



WHAT DO INVESTORS LOOK FOR: TYPICAL METRICS.

Management Team:

- track record of wealth creation, commitment.

Innovation:

- proof-of-concept for product/service, intellectual property.

Investment profile:

- time to exit, commercial and financial returns.

Market:

- evidence of customer traction, market size and growth.

- Dr Andrew Mackintosh (Chairman). Previously: Chief Executive of The Royal Society Enterprise Fund and Oxford Instruments PLC.
- Dr Frank F. Craig MBA (CEO). Previously: CEO of Smart Holograms. Has co-founded a start-up with a market cap. of £1.8 billion. Ex VP of R&D at Amersham Biosciences.
- Professor Wilhelm T. S. Huck (University of Radboud, Nijmegen). A world expert in microfluidics.
- Mr Ian Gray (24Haymarket). Previously: MD of Candover. Early investor in Inveresk Research (sold for £600 MM).
- Dr Amanda Wooding (Cambridge Enterprise Ltd). Deputy Head of Life Sciences at Cambridge Enterprise and an expert in spin-out creation.



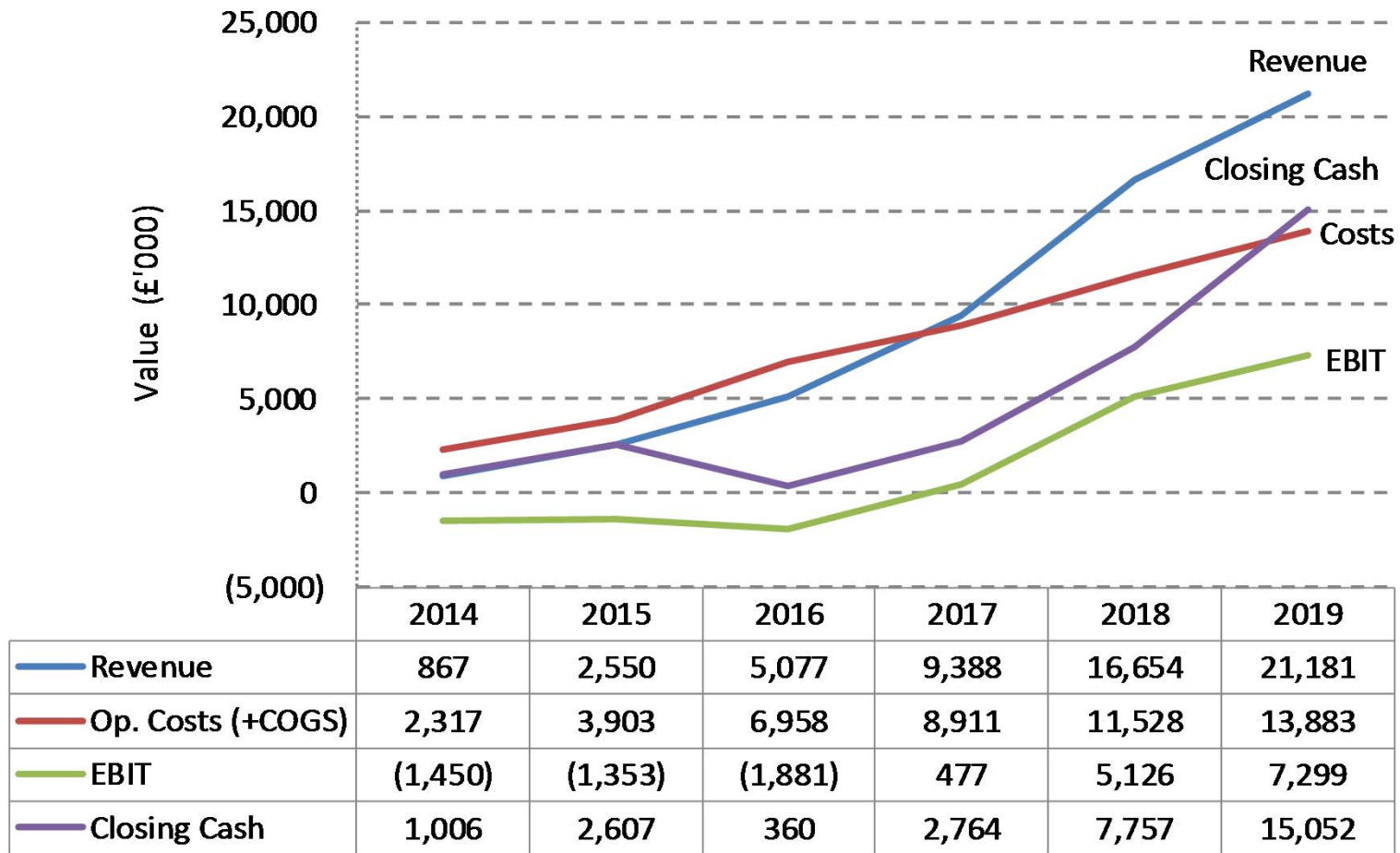
SF has an alpha/prototype system and recently raised £5 MM in investment to complete launch of:

Cyto-Mine[®] - The Single Cell Analysis System:

- Single cell analysis, cloning and isolation techniques are critical for biopharmaceutical discovery and development and diagnostic tests.
- Conventional techniques offer partial solutions performing some of the following: high-throughput screening, secretion assays, rapid cell sorting, single cell dispensing to microplates and monoclonality assurance.
- Cyto-Mine[®] will be **the world's first integrated** device specifically designed to automatically perform all of these functions in a single system.
- Protected by 54 patents (25 granted) and 2 Trademarks.



INVESTMENT PROFILE



- i) Exit by Trade Sale for £100 MM - £200 MM in 3-4 years.
- ii) This trajectory gives around 10-fold returns on investment.
- iii) Profitable in 2017, so no real need for further investment after this round?
- iv) The above models biopharma sales only, so overall sales should be bigger.

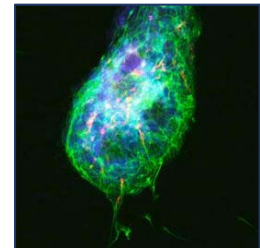
1) Biopharmaceutical Discovery & Development
(£214 MM growing at 10% *p.a.*)



2) Synthetic Biology - Bioprocessing
(£135 MM growing at 42% *p.a.*)



3) Stem Cell Engineering, Isolation and Analysis
(£580 MM growing at 14% *p.a.*)



4) Single Cell Disease Research
(Infectious Diseases: £60 MM growing at 6% *p.a.*)



5) Single Cell Diagnostics and Prognostics
- Cancer Market (Total): £20 billion growing at 15% *p.a.*





PROJECTED SALES: CYTO-MINE[®] IN ALL 5 MARKETS

SF Priority	Market	Addressable User Base	Number of Instruments Sold	Instrument Price (£k)	Instrument Revenue (£MM)	Consumables Revenue (£MM)	Service Revenue (£MM)	Cumulative Revenue (£MM)
1	Biopharmaceutical Discovery and Development	480	134	275	34.5	4.5	3.1	42.1
2	Synthetic Biology (Bioprocessing)	492	273	135	36.9	4.8	3.3	45.0
3	Microbial Antibiotic-Resistance Profiling	150	45	150	6.8	0.9	0.6	8.2
4	Stem Cell Engineering, Analysis and Isolation	389	117	275	32.2	4.2	2.9	39.3
5	Single Cancer Cell Diagnostics & Prognostics	500	100	300	30.0	3.9	2.7	36.6
	TOTAL	2011	669	NA	140.3	18.3	12.6	171.2

These are for 5 years of sales only.

The product lifetime should be 7-10 years,

So overall sales should be significantly higher, *e.g.* double.

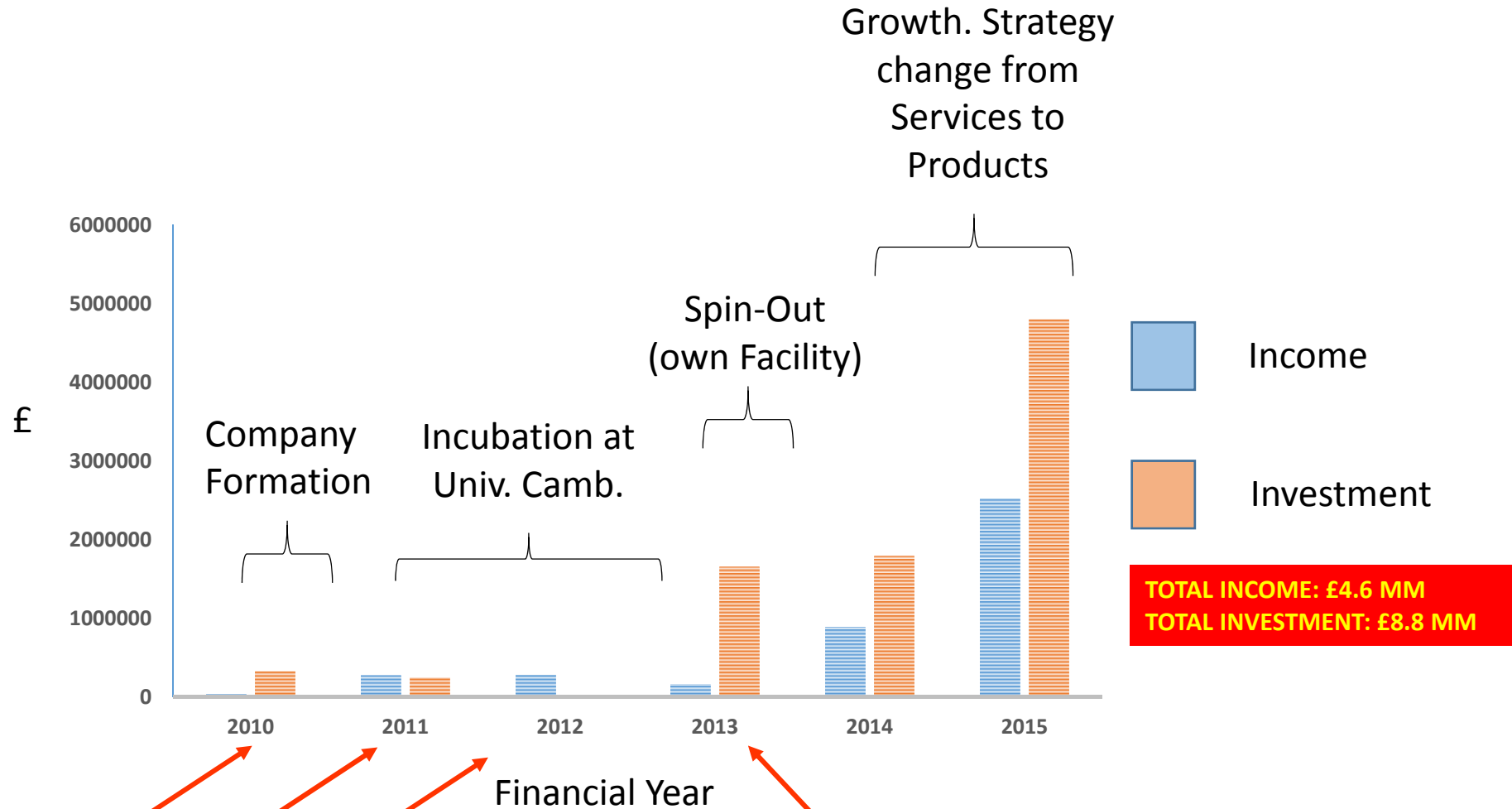


INVESTMENT PROPOSITION: COMPANY PROFILE

- Sphere Fluidics is an established Life Sciences Tools spin-out with an experienced Board and committed management.
- Developing proprietary systems that enable rapid, ultra-high-throughput discovery of therapeutics and diagnostics from single cells (*e.g.* Cyto-Mine®).
- Targeting Addressable markets worth over £21 billion *per annum*. Biopharmaceutical discovery and devt is our top priority market.
- IP Protection: 54 patents and 2 Trademarks created with over £12 MM of grants and funding.
- Raised c. £9 MM in funding to date, income-generating and may raise more cash.

INVESTOR CONCLUSION: INTERESTING, TICKS A LOT OF OUR BOXES!

INCOME AND INVESTMENT GROWTH HISTORY



Recession: Keep it Lean!
Little or no investment available.

Lost income due to lab move.

WHAT ELSE DO INVESTORS LOOK FOR?

- Other signs of growing success and recognition.
- Prizes and Awards: indicates company success in their fields and adds to that organisation's prestige.



EVERLINE FUTURE 50

50 of the most disruptive British businesses
in 2015



Innovate UK

