



*Differentiated PLC Investment Model Designed for Deeptech*

*Dr. Ilian Iliev, CEO*

Interim Results for the six months ended 30 June 2023

3 October 2023

# Disclaimer



This presentation (and any information contained in any oral presentation accompanying it) (**Presentation**) has been prepared by NetScientific Plc (**Company**). This Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 (FSMA). This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this document is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. Any person who receives this Presentation should not rely or act upon it. Any person who is in any doubt about this Presentation should consult a person duly authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities.

Whilst the information contained in this Presentation has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as **Information**) and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation. All statements of opinion and/or belief contained in this Presentation and all views expressed represent the directors' own current assessment and interpretation of information available to them as at the date of this Presentation.

This Presentation has not been fully or independently verified and is subject to material updating, revision and further amendment. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation contains certain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, forecasts, projections, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Therefore, actual results and future events could differ materially from those anticipated in such statements. No representation is made or assurance given that such statements or views are correct or that the objectives of the Company will be achieved. The reader is cautioned not to place reliance on these statements or views and no responsibility is accepted by the Company or any of its shareholders, directors, officers, agents, employees or advisers in respect thereof.

This Presentation does not constitute an offer or invitation to subscribe for or purchase any securities and neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever.

Neither this Presentation nor any copy of it may be: (a) taken or transmitted into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America (each a **Restricted Territory**), their territories or possessions; (b) distributed to any US person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)); or (c) distributed to any individual outside a Restricted Territory who is a resident thereof, in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

By accepting receipt or attending any delivery of, or electronically accessing, this Presentation, each recipient agrees to be bound by the above limitations and conditions and, in particular represents, warrants and undertakes to the Company that: (i) they will not forward the Presentation to any other person, or reproduce or publish this document, in whole or in part, for any purpose; and (ii) they agree to comply with the contents of this notice.

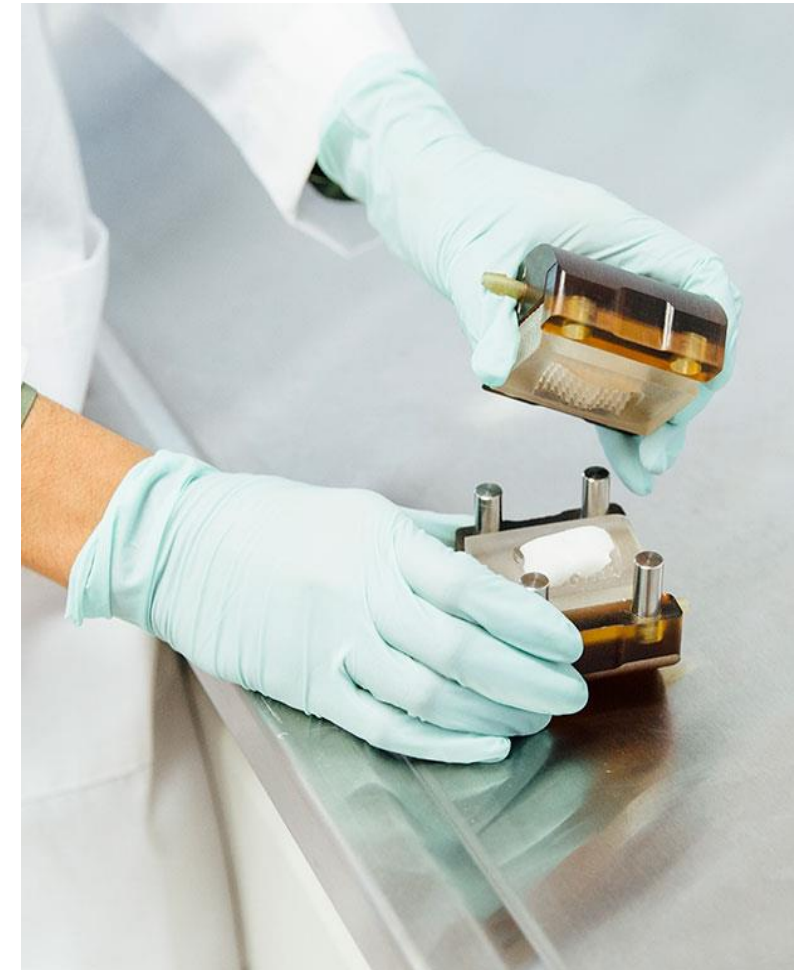
## Presentation

- Introduction to NetScientific (NSCI)
- Background and Strategy
- H1 2023 Progress and Results
- Portfolio Highlights
- Outlook
- Summary and Q&A



**NetScientific plc (AIM: NSCI) is a deep tech and life sciences VC investment group with an international portfolio of innovative companies.**

- Identifying, investing in, and building high growth companies in the UK and internationally
- Growing from 8 to 24 companies in 3 years
- Strong portfolio fundraising results, continued progress through value inflection points, supported by EMV Capital
- Proactive management of portfolio and value creation
- Capital-efficient investment approach: cautious use of balance sheet, driving syndicated investments, non-dilutive funding
- A mixture of direct equity stakes and carried interest stakes in portfolio





# Effective Board Leadership & Corporate Governance



***Dr. Ilian Iliev, CEO***

- Founder of EMV Capital – acquired by NetScientific PLC in 2020
- Significant shareholder of NetScientific (15%+)
- Experienced investor, negotiator, strategist & hands-on manager
- IP commercialisation at CambridgeIP; experience in energy, industrials, medtech
- PhD Cambridge University Judge Business School



***Ed Hooper, Executive Director and Group General Counsel***

- Former Partner of a City headquartered international law firm
- 20+ years' experience as a lawyer, specialising in advising on a broad range of transactions, including fundraisings, M&A, IPOs, joint ventures and restructurings, many on an international scale
- Solicitor of the Senior Courts of England and Wales



***Dr. Charles Spicer, Non-Executive Chair***

- Experienced chair and director in the medtech and life sciences industries
- Previously head of healthcare at Nomura, Numis
- Ex-Chief Executive of MDY Healthcare plc, a healthcare investor
- PhD in History from London University; MA Cambridge University



***Dr. Jonathan Robinson, Non-Executive Director***

- Experienced company director, entrepreneur and investor
- Co-founded the publicly quoted Group NBT plc, which ultimately became NetNames Group. Director and CEO of the group
- Previously non-executive director of Nominet
- PhD in Materials Engineering from University of Cape Town



***Stephen Crowe, CFO***

- Experienced finance leader with 25+ years' experience in a wide range of financial institutions from blue chip organisations (AXA) to SMEs (THB Group, R K Carvill & Co. and Towergate Partnership)
- Qualified chartered accountant
- Degree from Auckland University (NZ)

SUPPORTED BY STRONG OPERATIONAL AND INVESTMENT TEAM, VENTURE PARTNERS AND ADVISERS

- **Capital Efficient Investment Strategy:** supporting portfolio companies with selective use of balance sheet
- **Proactive Portfolio Management:** opens up value opportunities, investment on advantageous conditions
- **Value Creation Services:** selective support to portfolio companies – accelerating growth and de-risking
- **Fee-Based Services:** offsetting the costs of running a VC operations
- **Strong Corporate Links:** Joint Development Agreements, co-investments, validation
- **Funds Practice:** exploring new fund opportunities in line with growth strategy
- **Early Liquidation:** partial exits, generating investment returns ahead of full exits, cash supporting operations
- **Internationalisation:** footprint and network in US and EU – helping companies internationalise early
- **Portfolio Synergies:** accelerating growth and creating new opportunities for innovation

# Group Portfolio – Diversified Risk and Increased Investment Return Opportunities



## 24 companies in Life Sciences, Deeptech and Sustainability segments



*\*Portfolio comprises of equity investments and exposure to companies through carried interest, realisable on exit*

BALANCED PORTFOLIO FOR ENHANCED PERFORMANCE AND RISK MITIGATION

- **Successfully executing our 'evergreen' sustainable strategy:**
  - Covering core operating costs through a combination of corporate finance fees, value creation fees, and profits from partial exits of portfolio holdings.
- **Total income increased to £1.15m (H1 2022: £0.7m)**
  - Income at the 'core' of NetScientific and EMV Capital increased by c.100% to £1.0m (H1 2022: £0.5m).
- **A total of £117,000 profitable partial exits in period**  
**Total proceeds of £895,000 in the year to date.**
  - As well as providing non-dilutive funding to the Group, this demonstrates our evergreen strategy at work



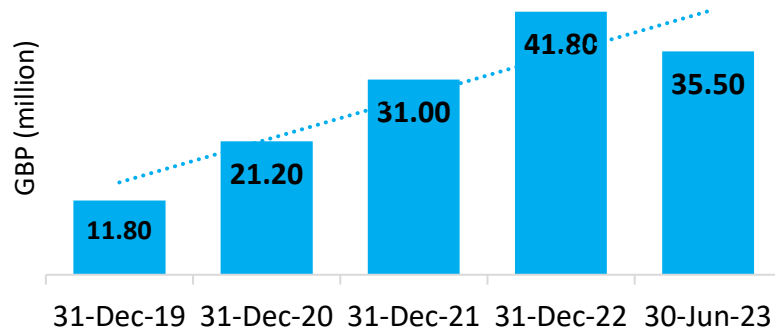
- **Group losses decreased slightly to £1.6m (H1 2022: £1.7m)**
  - Losses from operations at the 'core' decreased by c.43% to £394,000 (H1 2022: £695,000).
  - Attributed to our capital-efficient model, while EMV Capital has remained profitable.
  - Losses at both subsidiary portfolio companies, Glycotest and ProAxis, have increased, reflecting further investments made by them in their growth strategies.
  - No current need to raise capital through Company share placements.
- **Working capital management remains prudent:**
  - Net cash position of £296,000 as of 26 September 2023.
  - Further c.£5.2m held as readily realisable quoted securities as of 26 September 2023.

- **Fair value decreased by 15% to £35.5m (2022: £41.8m)**
  - These decreases are mainly due to the decline of the PDS Biotechnology share price to \$5.03 (at 30 June 2023) from \$13.20 (at 31 December 2022).
- **Declines offset by a £3.1m (11%) improvement in fair value in the non-listed portfolio:**
  - Vortex Biotech Holdings up from £0.7m to £2.8m (a 300% increase of £2.1m)
  - DName-iT up from £0.1m to £1m (a 900% increase of £0.9m)
  - Q-Bot up from £3.8 to £4.1m (an 8% increase of £0.3m)
  - This validates our investment strategy of portfolio diversification and active management.

- **Capital Under Advisory increased to £26.1m (2022: £23.5m)**
  - Providing significant and growing potential future profit for the Group from future realisations through performance fee arrangements.
- **£5.6m of third-party syndicated investments into portfolio companies, led my EMV Capital**
- **Value Creation Services to accelerate portfolio companies through value inflection points**
  - This provides strong prospects for further fair value increases in the next 12-18 months and increases the prospects for profitable exits (M&A, partial exits).

# Highlights and KPIs – H1 2023

Unaudited Directors' Estimated Value (Fair Value)

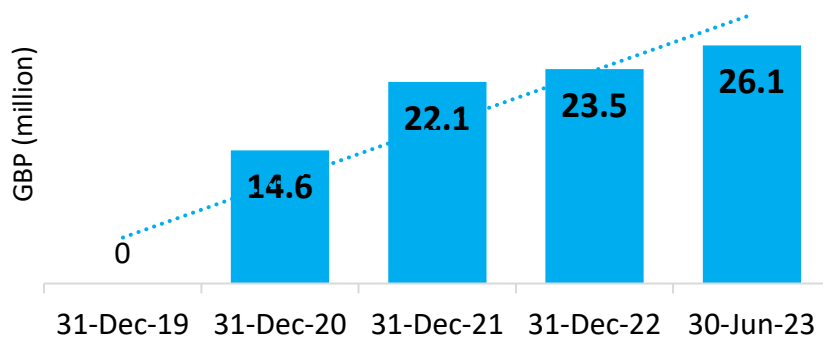


**Fair Value** now stands at **£35.5m**  
(2022: £41.8m; 2021: 31.0m; 2020: 21.2m)

*Approximately 67% increase from 2020 and 200% increase from 2019*

*\* Unaudited Directors' Estimated Value*

Capital Under Advisory

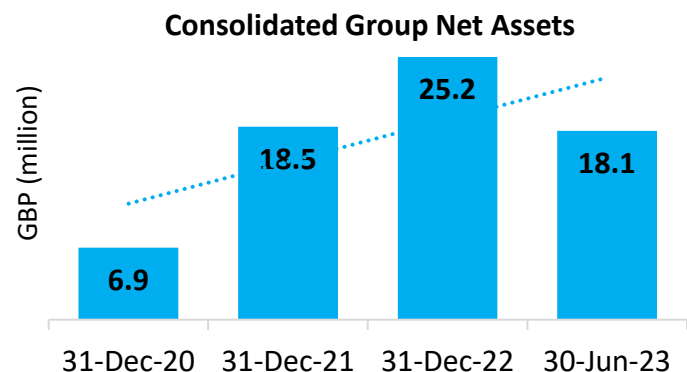


**Capital Under Advisory** now stands at **£26.1m**

(2022: £23.5m; 2021: 22.1m; 2020: 14.6m)

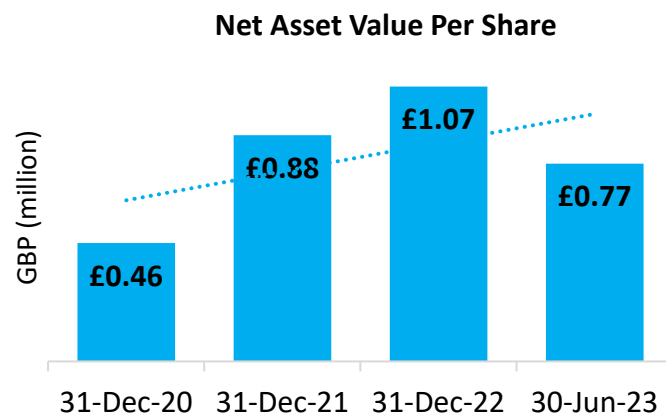
(In August 2022, NetScientific restructured its participation in Vortex from capital under advisory into a direct 30% stake)

# Highlights and KPIs – H1 2023



**Consolidated Group Net Assets at £18.1m**

(2022: £25.2; 2021: £18.5m; 2020: £6.9m)



**Net Asset Value Per Share at £0.77**

(2022: £1.07; 2021: £0.88; 2020: £0.46)

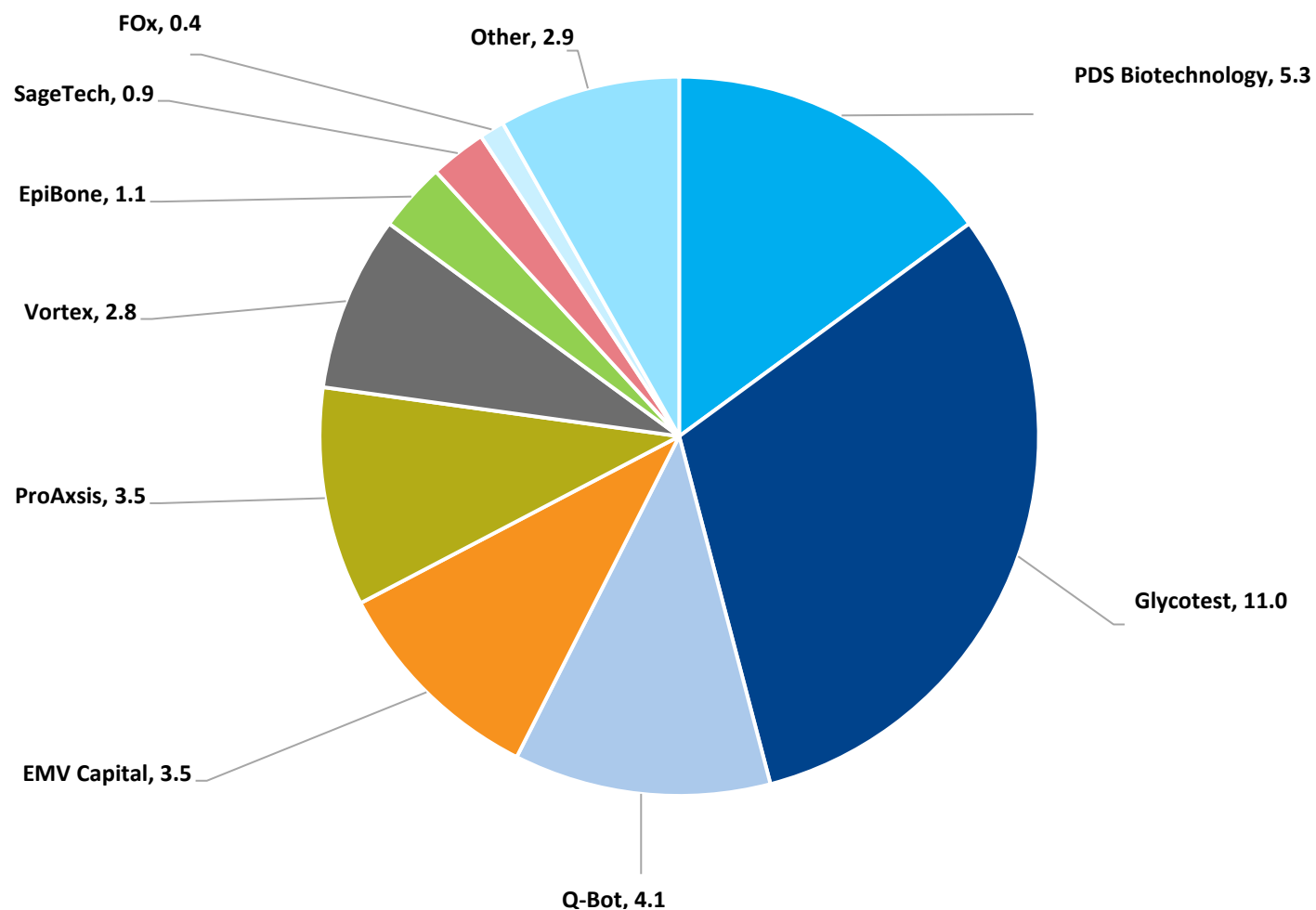


# Portfolio Fair Value Composition H1 2023

## *Portfolio Diversification*

### H1 2023 Portfolio Fair Value

GBP 35.5 million

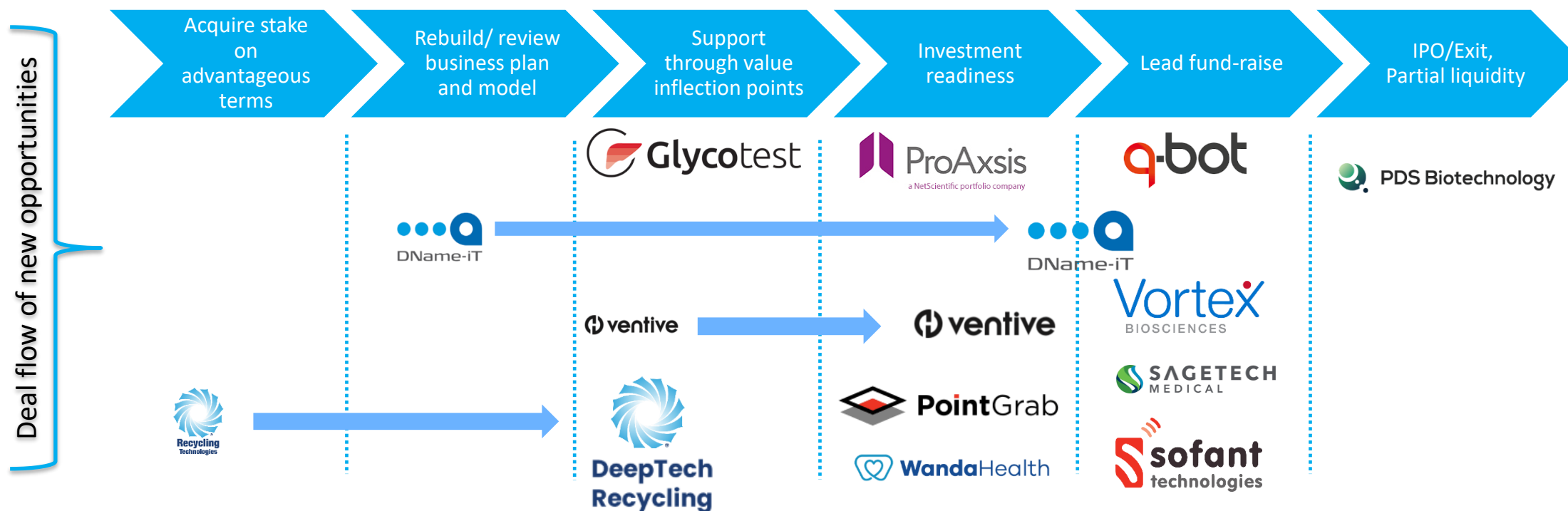


# Active Portfolio Management and Value Creation

Concentrating on a “cohort” of companies, taking deeper stakes, with a focus on value creation and investment realisations

Selective new investments that align with our model, offer good value, and can benefit from value creation services

## CONTINUED SUPPORT THROUGH SUCCESSIVE STAGES



# Selected Portfolio Company Highlights



## Glycotest, Inc., US (liver cancer diagnostics, 62.5% direct, 3% CUA)

- In August 2023, completed subject enrolment and sample collection for its HCC Panel clinical validation study.
- Focused on sample assays and data analysis to validate the HCC Panel test for early-stage liver cancer identification.
- Troubleshooting of HCC Panel assays was resolved in 2023, with a clear path to revised assays, making it a priority for 2024.
- Collaboration with Fosun Pharma continues for product commercialisation in China.
- In May 2023, EMV Capital raised \$495,000 towards a \$1m goal through a third-party convertible loan program.



## PDS Biotechnology Corp, NASDAQ: PDSB (Immuno-oncology, c.4.3% stake)

- Secured a global license for IL-12 Tumor-Targeted Cytokine from Merck KGaA.
- Announced Phase 3 study with KEYTRUDA® in head and neck cancer.
- Presented promising interim data at ASCO with an 87% 12-month survival rate.
- Added to Russell 2000® and Russell 3000® Indexes
- Current market cap c.\$153m (28 Sep 23).



## ProAxis Ltd, UK (medtech, respiratory diagnostics, 100% direct)

- Steady sales of Neatstik and potential lab service contracts.
- After a review, refocused on core respiratory capabilities, reducing costs by 50%.
- Developing a digitally-enabled NEATstik for respiratory patient monitoring with Wanda Health
- New Chair with diagnostics scale-up experience
- £500,000 loan from AB Group in place.
- EMV Capital's third-party fundraising program raised around £200,000.
- Secured grants of £100,000 and £30,000 for product development and regulatory strategies.



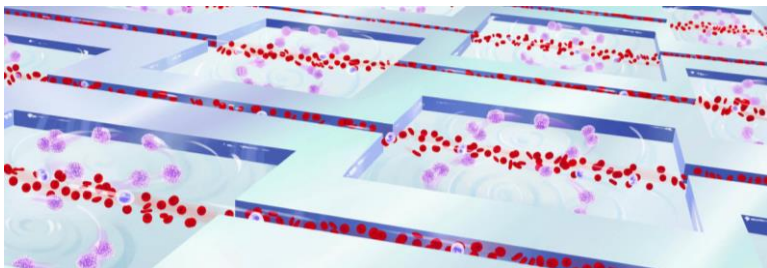
...TARGETED COMPANIES WITH POTENTIAL FOR GREATER RETURNS...

# Selected Portfolio Company Highlights



## Vortex, US-UK (liquid biopsy, oncology, 25% direct, 13.9% CUA)

- £3.2m EMV Capital-led EIS investment round in June 2023
- Expanding services to support biomarker-driven personalised medicines in biopharma.
- Established a CTC Centre of Excellence at The London Cancer Hub's Innovation Gateway.
- Launched a Technical Feasibility Study in September 2023 with partner AxonDx.
- A study by Nice University Hospital affirmed Vortex's VTX-1 platform as superior in key parameters for commercial adoption



## Q-Bot, UK (robotics as a service, home retrofit insulation, 18.6% direct, 33.9% CUA)

- EMV Capital closed a successful £3.5m investment round in September 2023
- Mature robotics technology company with growing sales in UK retrofit industry
- International expansion plans targeting the EU and US markets.
- Impressive 56% revenue growth in the fiscal year ending March 2023, with expectations for ongoing growth.



## DName-iT, Belgium (lab technology, 36.9% direct stake, 14.8% CUA)

- EMV Capital advised on the reorganization and a £500,000 EIS investment round, involving EMV Capital investors and Belgium's Gemma Frisius Fund.
- EMV Capital's value creation team took over CetroMed's development post-acquisition
- Established a manufacturing collaboration with ProAxis for efficient scaling.
- Ongoing Laboratory pilot with an EU-based lab to validate technology. Regulatory planning and a 2024 go-to-market strategy in progress.



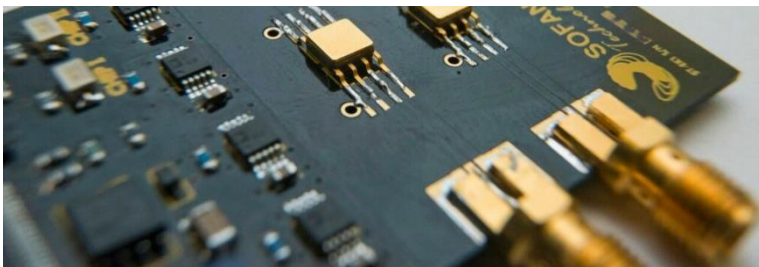
...TARGETED COMPANIES WITH POTENTIAL FOR GREATER RETURNS...

# Selected Portfolio Company Highlights



## Sofant Technologies, UK (semiconductors satellite comms 1.7% direct stake, 30.5% CUA)

- Edinburgh University spin-out focusing on phased array antennas for low-orbit satellite telecommunications.
- Claims up to 70% energy efficiency advantage and cost savings due to modular design.
- Executing a €7.3m contract with the UK Space Agency and the European Space Agency.
- Partnered with Inmarsat in May 2023, securing non-dilutive funds and a substantial pre-purchase commitment.
- EMV Capital led a follow-on EIS investment of £2.3m, including £1.3m from EMVC investors.



## Ventive Limited, UK (heat pumps and passive air ventilation, 18.4% direct stake, 35.3% CUA)

- Accelerated heatpump development program with Clear Blue Energy and QM Systems.
- Pre-purchase agreement with an EU heat pump distributor.
- Increased sales in the 'passive air ventilation' Windhive system for schools
- Progressing well in the heat pump project with prototype testing and building a potential buyer portfolio.



## Deeptech Recycling Limited, UK (recycling, 30% direct stake)

- Acquired assets from Recycling Technologies Limited in Dec 2022 – after failed AIM listing in Jan 2022
- Chemical plastic waste recycling plant technology for single stream and mixed plastic waste
- Assets and IP consolidated, revised business plan launched
- Secured proof of concept project with major industry plastic waste player in FMCG space – potential £6-12m plant
- Discussions with UK and EU parties for potential proof-of-concept and technical feasibility projects



...TARGETED COMPANIES WITH POTENTIAL FOR GREATER RETURNS...



# Outlook: NSCI Strategic Objectives FY2023+



## Progress Sustainable Business Model

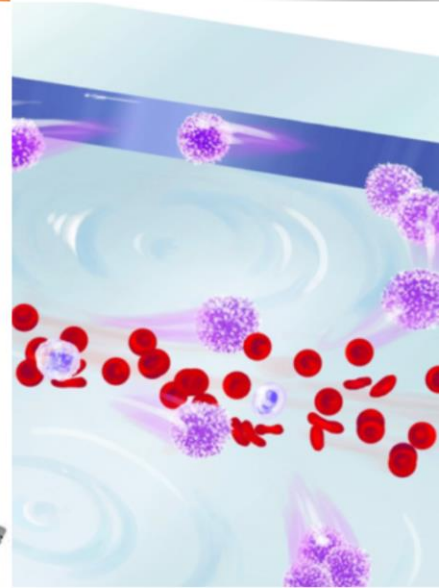
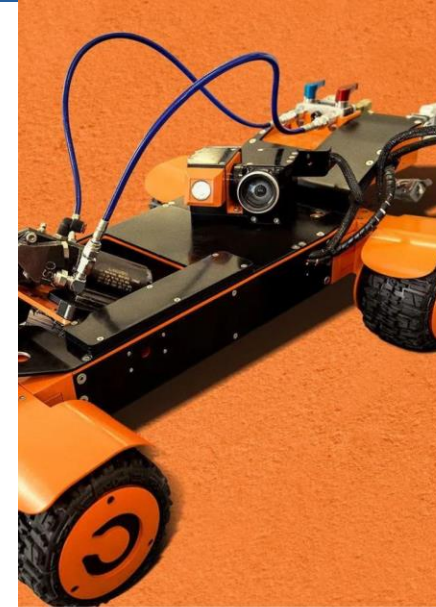
- The generation of more fees from EMV Capital
- Selective divestments
- External funding for subsidiaries
- Expand funds practice

## Increase the NAV and Fair Value

- Progress portfolio companies through value creation stages
- Third party investment rounds
- Proactive portfolio management

## Generate Investment Returns

- Mature portfolio – potential for profitable exits of portfolio companies
- Targeted growth of a curated portfolio



## **Advancing a Robust and Sustainable Business Model**

- Maturing portfolio with added potential, drive for exits/liquidity events
- Positioned for further revenue and balance sheet growth in 2024
- Management commitment and focus, well placed and flexible
- Align underlying asset value with market cap

**Thank you! Q&A**

**[www.netscientific.net](http://www.netscientific.net)**

# Portfolio Summary

Portfolio Company	Country	Sector	Stage	Group Stake (%)	CUA (%)	Fair Value (m)		CUA (m)	
						Jun 2023	Dec 2022	Jun 2023	Dec 2022
EMV Capital	UK	Venture capital	Sales	100%	-	£3.5	£3.5	-	-
Glycotest	US	Liver cancer diagnostics	Late clinical	62.5%	3.0%	£11.0	£11.0	£0.3	-
PDS Biotechnology - Nasdaq Listed	US	Immuno-oncology	Late clinical	4.3%	-	£5.3	£14.7	-	-
Q-Bot	UK	Robotics	Sales	18.6%	33.9%	£4.1	£3.8	£4.5	£4.4
ProAxis	UK	Respiratory diagnostics	Sales	100%	-	£3.5	£3.5	-	-
Vortex Biotech Holdings Ltd	UK/US	Liquid biopsy oncology	Sales	25.0%	13.9%	£2.8	£0.7	£1.6	£0.7
EpiBone	US	Regenerative medicine	Early clinical	1.5%	0.4%	£1.1	£1.2	£0.2	£0.2
DName-iT	BEL	Lab technology	Pre sales	36.9%	14.8%	£1.0	£0.1	£0.4	£0.1

# Portfolio Summary

Portfolio Company	Country	Sector	Stage	Group Stake (%)	CUA (%)	Fair Value (m)		CUA (m)	
						Jun 2023	Dec 2022	Jun 2023	Dec 2022
SageTech Medical Equipment	UK	Waste anaesthetic	Sales	5.4%	25.9%	£0.9	£0.9	£3.9	£3.8
Sofant Technologies	UK	Semiconductors satellite coms	Early sales	1.7%	30.5%	£0.5	£0.4	£5.3	£4.3
FOx Biosystems	BEL	Research equipment	Sales	3.2%	-	£0.4	£0.6	-	-
CytoVale	US	Medical biomarker	Late clinical	1.0%	-	£0.4	£0.4	-	-
G – Tech Medical	US	Wearable gut monitor	Early clinical	3.8%	-	£0.4	£0.4	-	-
Martlet Capital	UK	Venture capital	Investing	1.3%	7.7%	£0.3	£0.3	£1.3	£1.3
PointGrab	IL	Smart building automation	Sales	0.5%	21.0%	£0.1	£0.1	£4.1	£4.1
QuantalX Neuroscience	IL	Medical diagnostics	Late clinical	0.4%	-	£0.1	£0.1	-	-

# Portfolio Summary

Portfolio Company	Country	Sector	Stage	Group Stake (%)	CUA (%)	Fair Value (m)		CUA (m)	
						Jun 2023	Dec 2022	Jun 2023	Dec 2022
Ventive	UK	Heat pumps and passive ventilation	Sales	18.4%	35.3%	£0.1	£0.1	£0.1	£0.1
DeepTech Recycling Limited	UK	Recycling	Pre sales	30.0%	-	-	-	-	£0.5
Oncocidia	BEL	Cancer therapeutics	Early clinical	31.3%	-	-	-	-	-
Wanda Health	UK/US	Digital health monitoring	Sales	-	90.4%	-	-	£3.6	£3.2
Nanotech Industrial Solutions	US	Material science	Sales	-	-	-	-	£0.8	£0.8
<b>TOTAL</b>	-	-	-	-	-	<b>£35.5</b>	<b>£41.8</b>	<b>£26.1</b>	<b>£23.5</b>