

## HIGHLIGHTS

## angloscientific

- 2016 was a busy and exciting year for Anglo Scientific and all of our companies. Highlights include:
- Phagenesis announcing an exit to Nestle Health Sciences (<http://www.wsj.com/articles/nestle-strikes-deal-to-acquire-dysphagia-treatment-device-maker-phagenesis-1472734306>), which is expected to provide strong returns to investors;
  - Another of our companies receiving an unsolicited acquisition offer which may lead to another successful exit in the near future;
  - Phasor signing agreements with selected market leaders to sell over \$150m of Phasor antennas;
  - and other many other exciting developments across the portfolio.

Anglo Scientific has also been focused on securing dedicated funding to support and grow all of the companies we have collectively invested in. Innvotec, manager of the Anglo Scientific EIS fund, has been working hard for several years to secure adoption of the fund by a number of key IFA networks, which would dramatically increase the amount of capital that would flow into the fund. We are very pleased that this hard work has finally paid off, and the funds available to invest in our companies is expected to increase rapidly over the next 18 months, significantly mitigating financing risk for all of our companies (on the proviso of course that they successfully execute their respective plans).

We are also excited to announce that we have a new company coming on stream, Ateria Health, which will develop medical foods for the management of enterometabolic disorders (EMDs), such as irritable bowel syndrome (IBS) and diabetes.

Several of our most exciting companies are raising capital right now, including Apta, Radio Physics and Tharos, and Ateria will open its first round later in Q1. All are eligible for EIS. If you are interested in learning more about any of these opportunities, please contact any of the Anglo Scientific directors or Nicky Cole at [nicky@angloscientific.com](mailto:nicky@angloscientific.com).

There follows an update on all the companies for your information.

## COMPANIES



**Apta Biosciences Ltd (Apta)** is a UK/Singapore based biotech company with a broad patent portfolio around its molecules “Seligos” that underpin current diagnostic development programmes and future therapeutics programmes. The company plans to launch its first products on the market later this year (a lateral flow diagnostic test for Zika, Dengue and Chikungunya viruses and an ELISA test for a novel marker for predicting miscarriage in women in their first trimester). Both are estimated to be \$50m revenue opportunities. Apta is collaborating with the leading hospitals in Singapore in these areas as well as other international parties (a fully funded 1,200 patient trial is scheduled for 2017 for instance)

The Company targets value inflection this year on the back of successful diagnostics development programmes and first sales. In future Apta will look to use its technology advantage to expand its diagnostic offering into other high value areas as well as to pursue in vivo imaging and therapeutics.

The Company has a world class Team that includes highly successful biotech executives, entrepreneurs and clinicians.

Apta is currently raising £2.5m to launch its first product (£500k is remaining)

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**MICROTEST<sub>DX</sub>**

**Microtest Matrices Ltd (Microtest)** is a London-based clinical-stage company developing a serum-based diagnostic test for allergy.

Microtest has developed a microarray in which multiple allergens make up an allergen panel, and are tested simultaneously on a single patient sample. The microarray can be customized for particular geographic areas and patient populations. At launch, the Company expects testing to be performed in central reference laboratories for the sake of efficiency and convenience, but other possibilities may be pursued over time.

Dr. Sandy Primrose, a seasoned CEO and one of the most highly respected diagnostics experts in the UK, has recently assumed the role of Chief Executive Officer. The team includes excellent scientists in London and Sweden, where the Company has development laboratory facilities. It also owns a fully certified clinical laboratory offering allergy testing on the East Coast of the United States.

Over the course of the next 12 months, Microtest aims to deliver allergy microarray testing systems for reference laboratories, followed by further development for medium and smaller size laboratories. This type of testing is intended to help physicians manage all patients with IgE based allergic conditions, including adults and children with seasonal respiratory allergies, IgE-based food intolerance, and asthma.

Allergies affect between 30% and 40% of the world's population. The serum-based allergy testing market is estimated at \$1.2 billion yearly, growing at roughly 6% per year. Therapeutic aspects of this market are estimated to grow at a parallel rate of 4-11% per year. The global allergy diagnostic and treatment market is projected to reach \$46.8 billion in 2020, representing a CAGR of 5.8%

The Company's pace of product development has slowed over the past three quarters because of the need to conserve capital. New funding is anticipated in Q1, and a plan for robust and accelerated product development is in place for immediate implementation once funds have been received.



**Phagenesis Ltd** is headquartered in Manchester, UK, and has developed the world's first clinically proven medical device for treating neurogenic dysphagia (swallowing dysfunction), a condition that affect millions of people around the world.

Phagenyx® is an innovative product using pharyngeal electrical stimulation, which delivers an electrical signal optimized for each patient to the back of the patient's throat (oropharynx). The treatment, which restores the neurological control of swallowing by 'kick-starting' the re-organization of the brain, is the result of more than 20 years research on the mechanism of action and its clinical application.

On September 1st, 2016, Nestlé Health Science announced that it is entering into a staged acquisition of Phagenesis. <http://www.wsj.com/articles/nestle-strikes-deal-to-acquire-dysphagia-treatment-device-maker-phagenesis-1472734306>



**Phasor Inc (Phasor)** is a Delaware-based technology company developing an antenna for broadband communications to moving vehicles.

Mobile broadband presents a huge opportunity. Cisco estimates that demand in 2020 will be eight times greater than it was in 2015. To meet it, billions of dollars are being spent on new and better communications satellites.

While demand for mobile broadband is surging, antenna technology lags behind. Phasor is about to change that, with a patent-protected new antenna technology that reduces the cost of providing broadband on the move, opening up new markets.

Over the past 12 months, Phasor has completed the technology development phase and is now customising products for cruise ships, super-yachts, commercial aircraft and business jets.

Over this time frame, Phasor has signed contracts with global industry leaders such as Intelsat, GoGo, OmniAccess and Harris CapRock. These companies have paid for time-limited exclusivities in defined market verticals. Collectively they have committed to buy over \$150m of Phasor antennas to maintain those exclusivities over the next 3-5 years.

Phasor is raising a \$20m equity round, led by a US-based strategic investor and a UK venture capital firm. Funds will be used to release products for the aeronautical, maritime and land-mobile markets.

In 2017, Phasor expects to convert letters of intent with other leaders in the mobile broadband services market to contract. Phasor projects that by 2022, it will have over \$500m in revenue.



**RADIO PHYSICS**

**Radio Physics Limited (RP)** designs, manufactures and markets standoff threat detection products and systems.

Unlike CCTV cameras and thermal imaging systems, which merely offer surveillance capabilities, RP's products provide direct detection. Rather than simply providing an image of a potential threat which an operator then has to analyse, RP's products are able to identify and highlight specific items concealed under a person's clothing: bombs, guns or knives. If new, different threats appear, our products may be trained to detect those new objects. And they are able to do this at true standoff distance without the need for an operator's analysis. This is a new capability, not currently available in the market. Cumulative 2015-2020 revenues in the detection of standoff IED (Improvised Explosive Device or IED), Person-Borne and Vehicle-Borne IEDs and other weapons are expected to reach \$8.4bn by 2020, with a double-digit annual growth rate.

RP has developed a novel and patented security system, Millimeter wave Threat Level Evaluation (MiRTLE), to detect bombs and guns, at a range of up to 30 metres (100 feet). MiRTLE can be handheld or mounted on a tripod. Both versions are portable and battery-operated, and can be linked to CCTV and other networks so that continuous monitoring by human operators is not required. MiRTLE thus provides an additional layer of security by extending the boundaries of detection beyond the conventional metal detector portals installed in airports and other defined locations.

MiRTLE is now entering a low-rate initial production phase. Positive feedback on MiRTLE's performance has encouraged the RP team to begin the process of partnering with mid-market security integrators to address commercial, federal and government security needs across selected countries. This strategy is now bearing fruit, with a number of initial orders currently being placed.

RP's experienced team is led by CEO Ed Godere, previously VP of QinetiQ North America (formerly Foster-Miller), under whose leadership QinetiQ's bomb disposal robots division grew from inception to over £133m of yearly revenues.

RP is seeking investors to invest alongside existing shareholders to build a £100m + revenue company. The current funding round of £2m at a pre-money valuation of £10.7m on a fully diluted basis.



**SeeQuestor Ltd** is a video analytics company delivering radically faster video intelligence for law enforcement & intelligence agencies. The Company launched its first product at the end of 2016, has its first revenues and has already been used by police forces to solve a number of high profile criminal investigations. Customers to date include: The Phoenix Police (USA), the Queensland Police (Australia), Suffolk Police (UK), Counter Terrorism SO15 (UK), Lancashire Police (UK) and An Garda (Ireland).

c. 1.3 trillion hours of CCTV was generated last year (and growing rapidly), yet only a fraction of 1% of this footage is ever looked at. Because unlike the movies, it takes on average 1 hour of viewer time to look at 1 hour of data. SeeQuestor changes all this, making viewing video a lot more like what you see in the movies. Saving huge amounts of time, ensuring law enforcement can quickly extract the information they need without having to watch all of the video.

The Company has gained a lot of interest at national trade shows for its product, including winning an award for the most visited stand at EmSEC (Emirates Security Exhibition and Conference) in Dubai. The Company now plans to ramp up users internationally this year as well as to enhance its video analysis capability for next generation products through its collaborations with leading universities under SeeQuestor "Deep Insight".

Please see our website for further information.



**Solus Scientific Solutions Ltd (Solus)** - manufactures laboratory diagnostic testing systems for the food safety industry, with its core business in food borne pathogen detection (e.g. Salmonella and Listeria).

Already profitable from its business in the UK and Ireland, in 2016 Solus began its international expansion and has secured major international contracts with some of the largest contract laboratory groups in the world, which is expected to lead to exciting growth in both the near and long term.

In 2016 Solus also completed development of its next generation product line after many years of R&D. Expected to achieve certifications and launch in mid-2017, these products have the potential to further disrupt the global food testing space.



**Tharos Ltd.** ("Tharos" – Ancient Greek for guts, in the sense of courage) is a London- based company formed by Anglo Scientific to address a significant market opportunity around equine digestive health.

Over a three-year period, Tharos' first product, EquiNectar has been used in a leading racing yard and over this same period, the yard has experienced a twofold increase in winnings and a fourfold increase in prize money. Data collected from this yard and a national horse sanctuary has led to the development of a novel nutritional technology that bestows measurable improvements in equine digestion, performance and condition.

Digestive upset, connected to colonic malfermentation, is a common and detrimental factor in modern equine husbandry the world over. EquiNectar restores and maintains the horse's microbiome to ensure a healthy gut and balances the digestive biochemistry (by lowering acetate and reducing endotoxigenicity), thus improving performance and condition through improved feed conversion to energy.

EquiNectar will undergo a soft launch to 20 yards in 2017 and is expected to be commercially launched as an equine food supplement in 2018 to the UK market. An innovative solution, Tharos is targeting opportunities in the annual global horse healthcare market, which is estimated between \$24bn and 26bn.

Tharos comprises, unconventionally, experts hailing from both the medical and veterinary fields. They have spent their professional lives studying toxicology, metabolomics, gastro-intestinal physiology, and acute and chronic gastro-intestinal illness. Building on the successful trialling of EquiNectar, the team intends to develop veterinary medicine products for laminitis and colic, two of the most important causes of equine mortality and morbidity.<sup>6</sup> In doing so, Tharos will address a significant and currently unexploited market opportunity.

Tharos is seeking investors for a £1.2m round at a pre-money valuation of £2.8m to take it through the sole launch of its 1st product over 2017.



**21 Net** is a UK company with global headquarters in Belgium since 2004 and subsidiaries in Belgium, France, Italy and India, 21 Net provides WiFi and Entertainment solutions for trains and serves the needs of global customers such as SNCF, NTV, Eurotunnel, CAF, UTA (Utah), Smart and Indian Rail.

The 21Net solution is a high performance mobile access router that aggregates bandwidth from many channels such as 3G, 4G and satellite and provides passengers seamless access to the Internet and entertainment.

Together with ENGIE INEO, 21Net was awarded a contract for equipping SNCF's fleet of 300 TGV trains. Service launched in December 2016 <http://www.21net.com/21net-and-engie-ineo-collaborate-to-bring-wifi-connectivity-to-the-sncf-tgv-fleet-in-france/> and will be rolled out over the TGV fleet during 2017 and 2018.

21 Net is a high growth company working to Exit.

#### FUTURE COMPANY

**Ateria Health Ltd. (Ateria Health or Ateria)** is a clinical-stage London-based company formed by Anglo Scientific to address a significant market opportunity around the management of enterometabolic disorders (EMDs), a spectrum of conditions characterized by disordered carbohydrate metabolism, disturbances of bacterial fermentation (malfermentation) in the colon, and abnormal changes in the microbiome (the bacterial population). While this constellation of abnormalities has been strongly linked to the symptoms of irritable bowel syndrome (IBS), emerging scientific data suggest that may also cause or contribute to obesity and Type II (adult onset) diabetes mellitus.

Ateria is developing products to address the symptoms and underlying mechanisms of EMD. The lead candidate, ERMET, is a proprietary, natural, enzyme-rich malt extract designed for the dietary management of irritable bowel syndrome (IBS) and related conditions. ERMET has been formulated successfully, certified to be stable and safe, and shown to meet requirements for enzymatic activity. Manufacturing and operational considerations are being addressed.

On the basis of experimental animal studies, the Directors intend next to explore the possibility that ERMET will prove effective in metabolic syndrome, for blood sugar management in Type II diabetes, in the management of obesity, and in improving human athletic conditioning and performance.

Initial clinical trials have begun in IBS. A pilot trial has also been initiated around performance improvement in university-aged amateur athletes.

The markets addressed by Ateria are projected to exceed \$70 bn worldwide by 2025