



Information Solutions For Life



Investor Presentation February 2015

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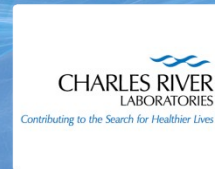
Instem's Market

> Software solutions & services to life sciences R&D

- Collection, analysis, management & submission of complex scientific data

> Leader in regulated niche markets with high barriers to competitor entry

- Over 400 clients including 16 of the top 20 pharma companies and many leading Contract Research Organisations
- Operations in US, UK, China & India provide a global distribution platform
- Client Relationships are long term, over 10 years on average



Strong Business Fundamentals

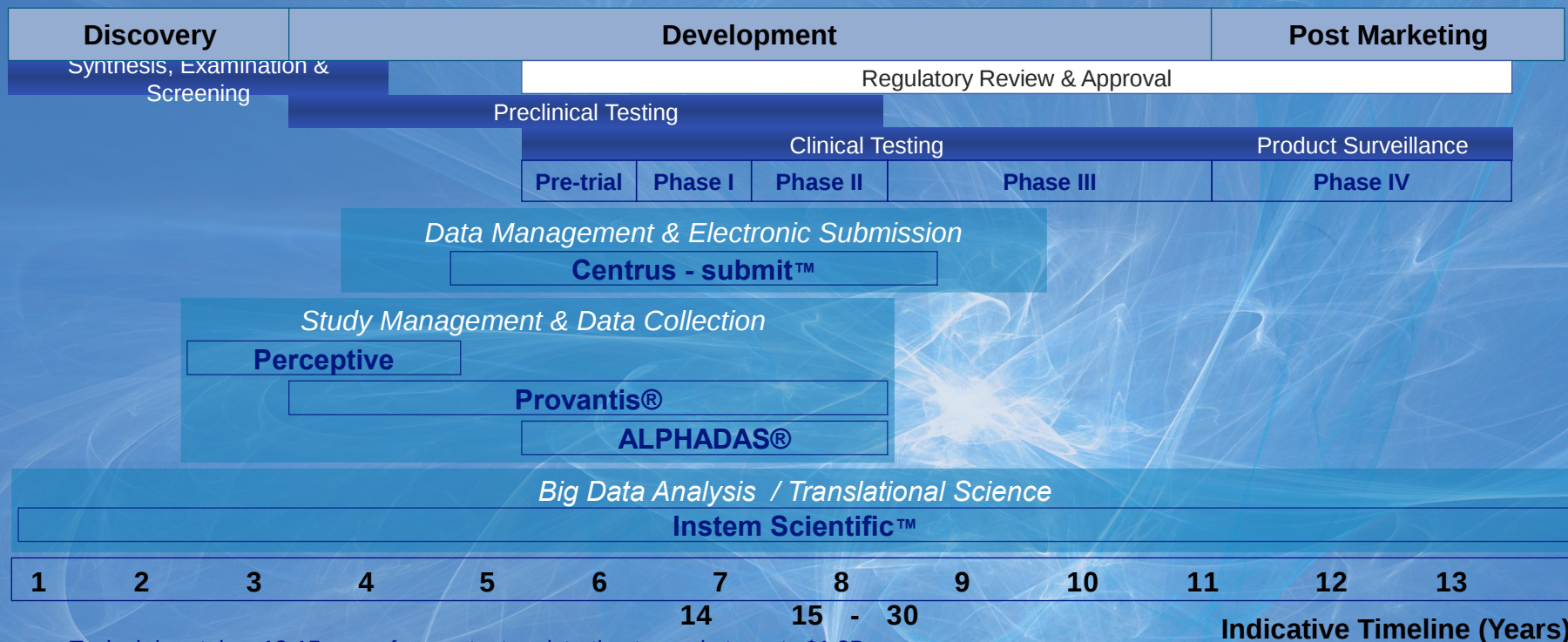
➤ Financially robust

- Annual contract renewal rates consistently 97%+
- Increasing adoption of SaaS across all levels of customer groups
- Rising tide of recurring revenues - from £6.3m in 2009 to £7.9m in 2013 (N+1 Singer estimate £8.9m in FY14)

➤ Favourable end-user Market

- Pharma companies once again investing in early stages of drug development
- Change in FDA regulations for electronic submission of study data expected to be a strong growth driver
- Opportunity to consolidate fragmented market via acquisitions of complementary businesses – 3 acquisitions in last 4 years

Target Markets in the R&D Lifecycle



- Typical drug takes 13-15 years from patent registration to market, costs \$1.3B
- Pharma has 5-7 years patent protection to recover investment
- Each day earlier to market yields ~\$2m additional patent protected revenue

Products

Preclinical Products

Provantis®

The leading product for study management in the preclinical safety assessment market. c.70% of Group revenues.

Perceptive

Leader in image analysis and data management solutions for in vitro preclinical market with customers in 49 countries including the top 10 pharmas. >5% of Group revenues.

Clinical Products

ALPHADAS®

Market leading, e-source data capture and site automation software suite for early phase Clinical research. c.10% of Group revenues.

Data Management, Electronic submission & Big Data Analysis

Centus - submit™

Aggregation, analysis and sharing of regulatory study data. Implements FDA's SEND electronic submission standard.
>5% of Group revenues.

Instem Scientific

Solutions and services enabling scientific insight to be gained from the analysis of large volumes of historic data.
<10% of Group revenues.

Recent Developments

- Upgraded product portfolio during 2014, enhancing competitive position
- Reorganised to align management and staff with core lines of business, including integration of recent acquisitions
- Well positioned to benefit from improving markets
- Recent significant contract wins including a contract with WIL Research worth US\$7m over four years
- Centrus-submit™ performing especially well with accelerated growth expected following FDA's mandating of the SEND submission format
- Strong order intake has resulted in 2014 trading in-line with market expectation and a record opening backlog position for 2015

Strategy

➤ Extend market dominance

- Retain existing clients
- Win majority of new business placed
- Increase level of recurring revenues
- Long term margin enhancement through increased SaaS deployment

➤ Exploit organic growth opportunities

- Further market penetration with existing products
- Cross-sell products across extended client base
- Leverage our global distribution capability
- Introduce new products and functionality

➤ Expand through acquisition

- Access adjacent markets
- Extend product suite
- Consolidate the supply chain

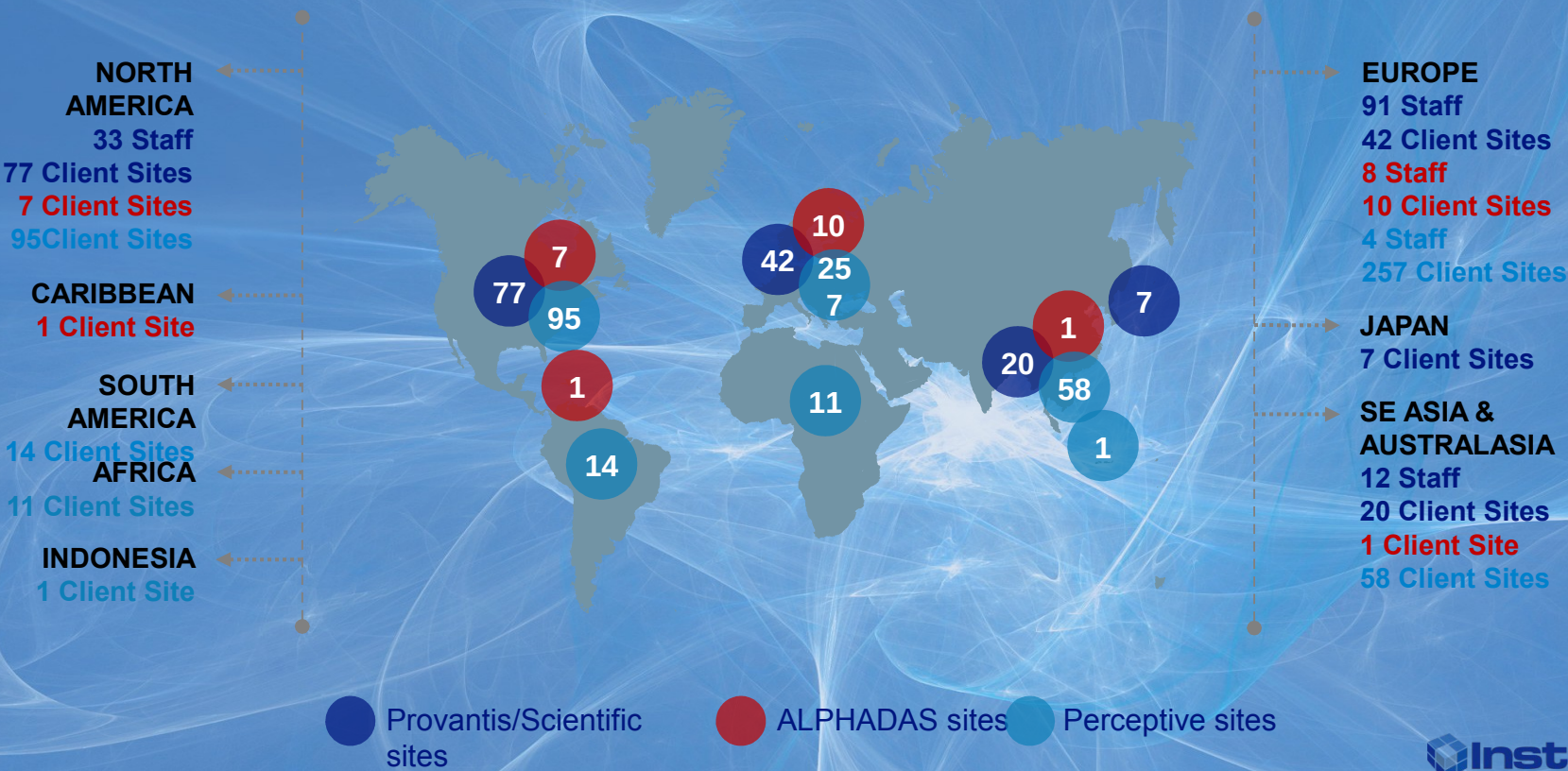
Summary & Outlook

- Leader in regulated niche markets with high barriers to competitor entry
- Financially robust – strong recurring revenue, growing SaaS component
- Over 400 Clients with long-term relationships & annual contract renewal rates consistently >97%
- Operations in the US, UK, China & India provide a global distribution platform
- Favourable end-user markets
- FDA regulatory drivers for increased product demand
- Strategy to grow organically and through acquisition with focus on profit and cash generation
- Confident outlook for the year ahead with our largest ever opening backlog

The background is a solid blue color with intricate, white, fractal-like patterns. These patterns consist of many thin, curved lines that swirl and intersect, creating a sense of movement and depth. The patterns are most concentrated in the center and right side of the image, with some lines extending towards the left.

Appendices

Provantis/Scientific | ALPHADAS | Perceptive Global Presence



Share Information

Share Price	155.5p
Market	AIM
Ticker	INS
Market Cap.	£19.0m
Ord. shares in issue	12,212,260



Director	Holding	%
David Gare	2,278,427	18.7%
David Sherwin	1,580,066	12.9%
Phil Reason	665,287	5.4%

Major Shareholders	Holding	%
Liontrust	1,176,462	9.6
Henderson	864,500	7.1
Close	721,817	5.9
Adrian Gare	704,219	5.8
Deborah Walker	704,219	5.8
Artemis	571,429	4.7
Unicorn	562,957	4.6