World Leader in Innovation

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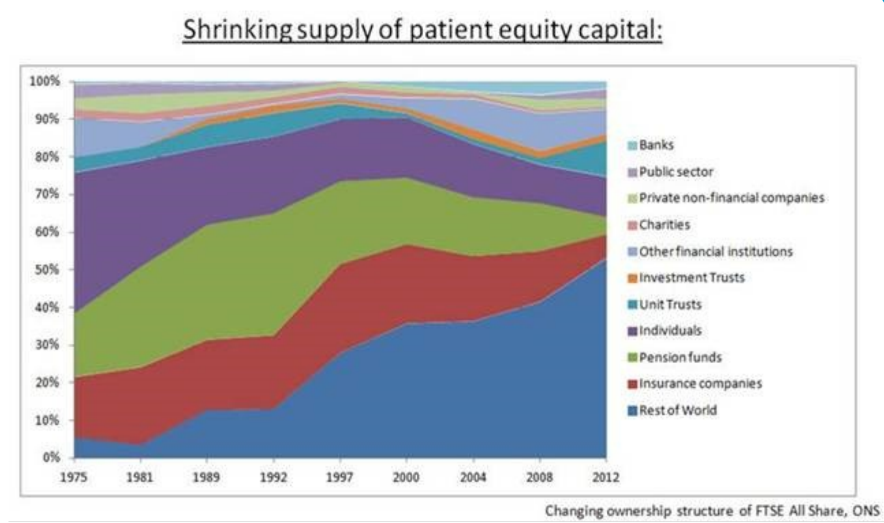
Market summary
A year in review and outlook for 2017

Small Cap market

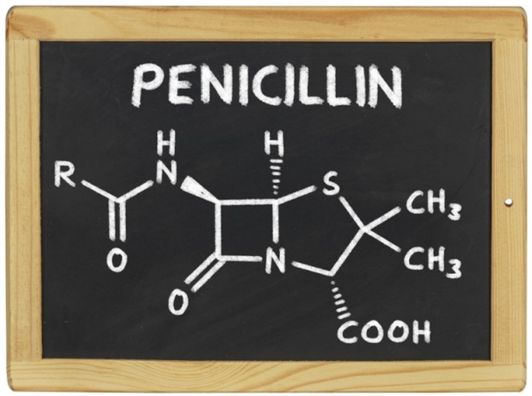
- UK equities fair value
- Low growth, low inflation world
- GBP Sterling looks undervalued / M&A on the horizon
- Sub £200m stressed

State of Technology

- World leading universities / IP
- Technology trends remain on track
- Good technology can take time to reach investable stage
- AIM / Tax / Brexit

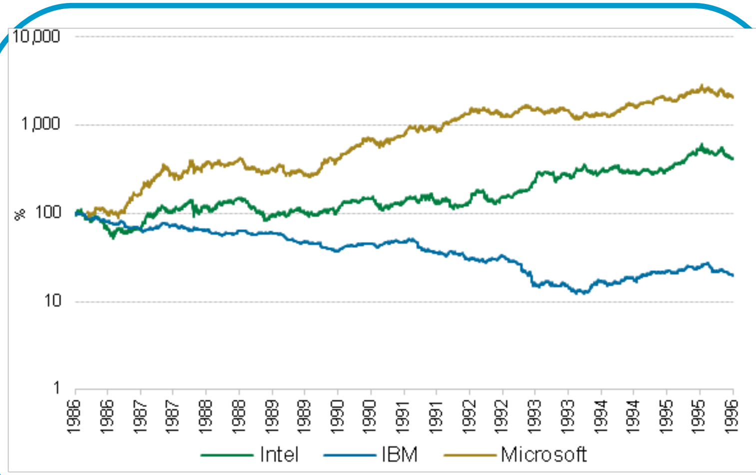


Turning innovation into profitable stock picking

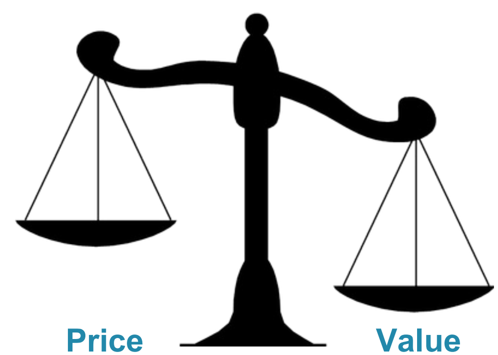


Discovered in 1928… but was not adopted as an antibiotic until the 1940's

Product relevance and adoption



Business model



Right price!

Source: Business model chart performance relative to S&P 500 index

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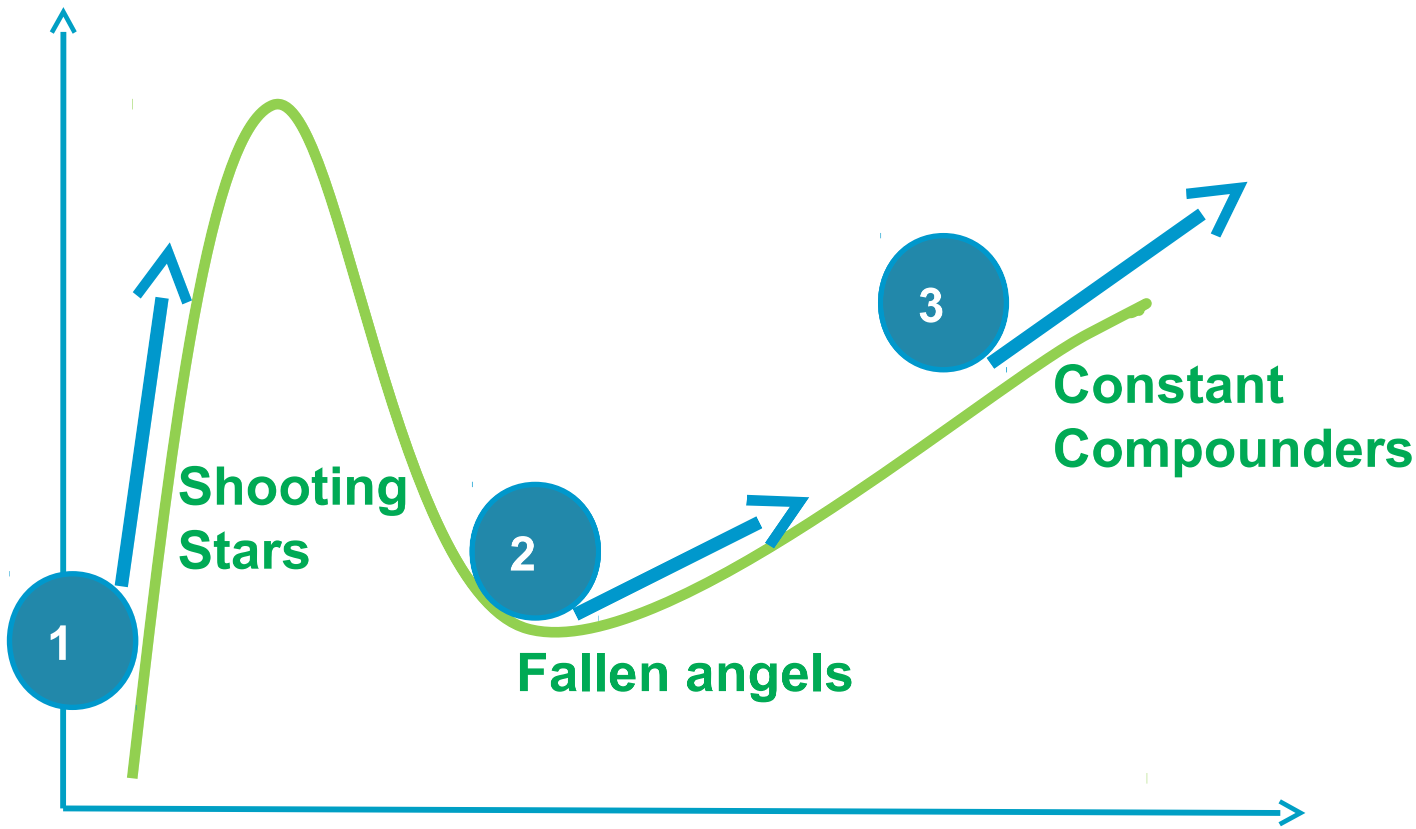


Source: Gartner Hype Cycle

Lost year for sector…

Biotech

Clinical stage drug discovery (phase III late stage) and development companies:

- **ImmuPharma**
- **Diurnal**
- **Midatech**
- **Motif**
- **Faron Pharmaceuticals**

Immunotherapy

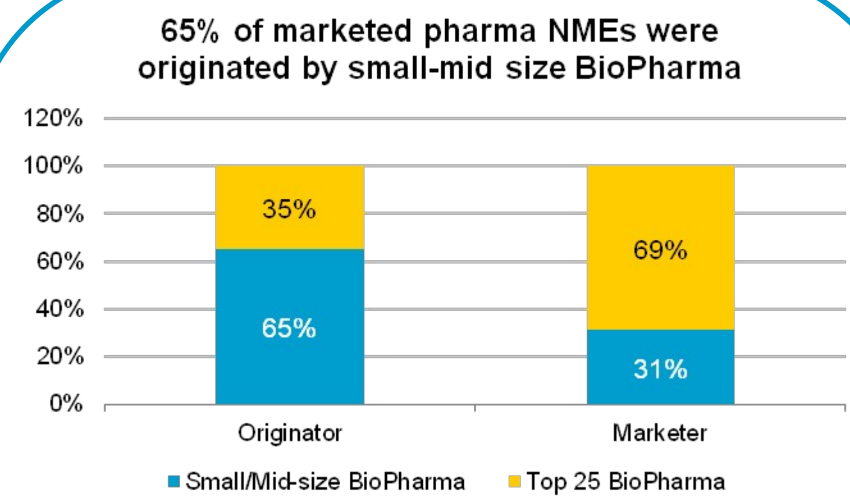
Distinct area driven by genetics

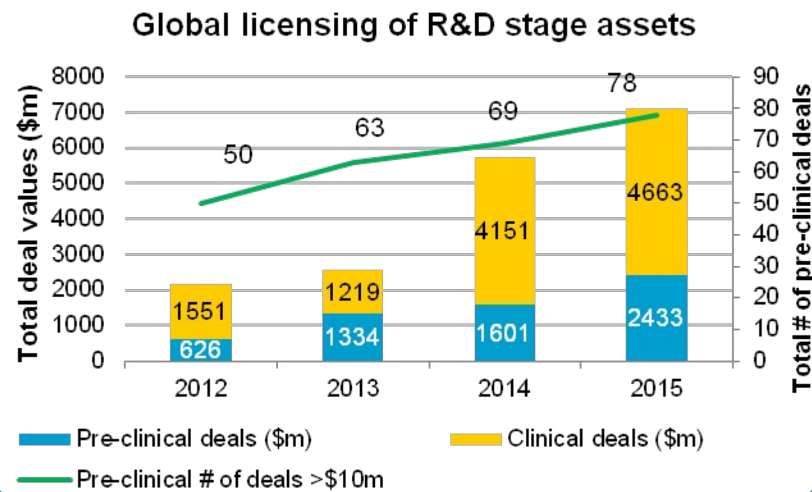
- **Faron Pharmaceuticals**
- **Maxcyte**
- **Scancell Holdings**
- **RedX**

Medtech / Medical Devices

Manufacturer of minimally invasive products (endoscopes etc):

- **Creo Medical**
- **Collagen Solutions**
- **Omega Diagnostics**





Source: Chart 1 - BIO Industry Analysis "Emerging Therapeutic Company Investment and Deal Trends" 25 May 2016

Source: Chart 2 - Forbes "Exploring Company Contributions To the Origination of New Medicines" 16 October 2016.

Key themes from Consumer Electronics Show (CES) 2017

Autonomous Vehicles — Robotics / AI — VR / AR — Connectivity — Wearables

Disruptive history of decadal platform shifts

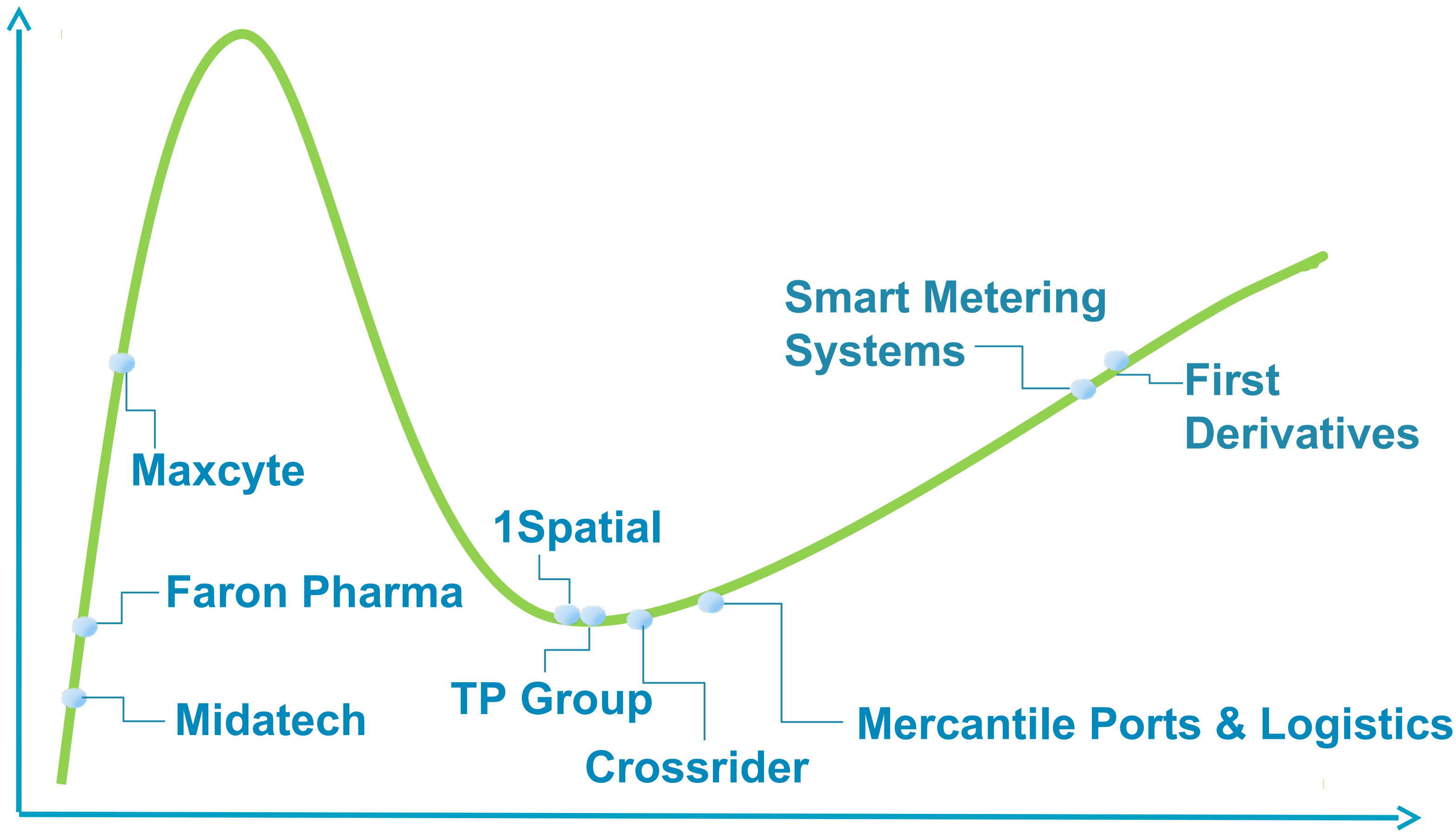
1960's	1970's	1980's	1990's	Late 90's to Mid noughts	Late noughts to now	What's next?
Mainframe Systems	Minicomputer Systems	PCs and file sharing	Client Server	Internet and Intranet	Mobile and Cloud	Smart user and AI

Investable UK Tech Opportunities

3D Printing
- Xaar
- Renishaw

Autonomous Vehicles
- Seeing Machines
- 1Spatial

Big Data
- First Derivatives
- Ideagen



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