

Realising Value



Capital Markets Day

London

18 October 2018

Important notice



This document has been prepared by and is the sole responsibility of Mercia Technologies (the "Company"), comprises these presentation slides for the sole use at a presentation and any question and answer session and any document or material distributed at or in connection with the presentation (together the "Slides") concerning the Company.

The information in the Slides does not comprise an admission document, listing particulars or a prospectus relating to the Company or any subsidiary of the Company (together the "Group"), does not constitute an offer or invitation to purchase or subscribe for any securities of the Company, does not constitute or form part of a prospectus or admission document and should not be relied on in connection with a decision to purchase or subscribe for any such securities. The Slides and the accompanying verbal presentation do not constitute a recommendation regarding any decision to sell or purchase securities in the Company.

The Slides are confidential and the Slides are being supplied to you solely for your information and may not without the Company's consent be reproduced, distributed or otherwise disclosed to any other person or published, in whole or in part, for any purpose. No reliance may be placed for any purpose whatsoever on the information contained in the Slides or the completeness or accuracy of such information. No representation or warranty, express or implied, is given by or on behalf of the Company or their respective shareholders, directors, members, officers, employees, agents, affiliates representative or advisers or any other person as to the accuracy, completeness or fairness of the information or opinions contained in the slides, and no liability is accepted for any such information or opinions (including in the case of negligence, but excluding any liability for fraud). In addition, no duty of care or otherwise is owed by any such person to recipients of the Slides or any other person in relation to the Slides. The information set out in the Slides is subject to updating, completion, revision, verification and amendment, and such information may change materially.

Nothing in the Presentation is, or should be relied on as, a promise or representation as to the future. The Slides may contain forward-looking statements, which relate, inter alia, to the Group's proposed strategy, plans and objectives. Forward-looking statements are sometimes identified by the use of terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positions" or "anticipates" or the negatives thereof, other variations thereon or comparable terminology. By its very nature, such forward looking information requires the Group to make assumptions that may or may not materialise. Such forward-looking statements may be price sensitive and involve known and unknown risks, uncertainties and other important factors beyond the control of the Group that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements. Past performance of the Group cannot be relied upon as a guide to future performance. Accordingly, you should not rely on any forward-looking statements and the Group accepts no obligation to disseminate any updates or revisions to such forward-looking statements. No representations or warranties of any kind are made by any person as to the accuracy of such statements, estimates or projections, or that any of the events expressed or implied in any such statements, estimates or projections will actually occur. The Company is not under any obligation, and expressly disclaims any intention, to update or revise any such statements, estimates or projections. No statement in the Slides is intended as a profit forecast or a profit estimate and no statement in the Slides or accompanying verbal presentation should be interpreted as a to mean that earnings per share for the current or future financial periods would necessarily match or exceed historical published earnings per share. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

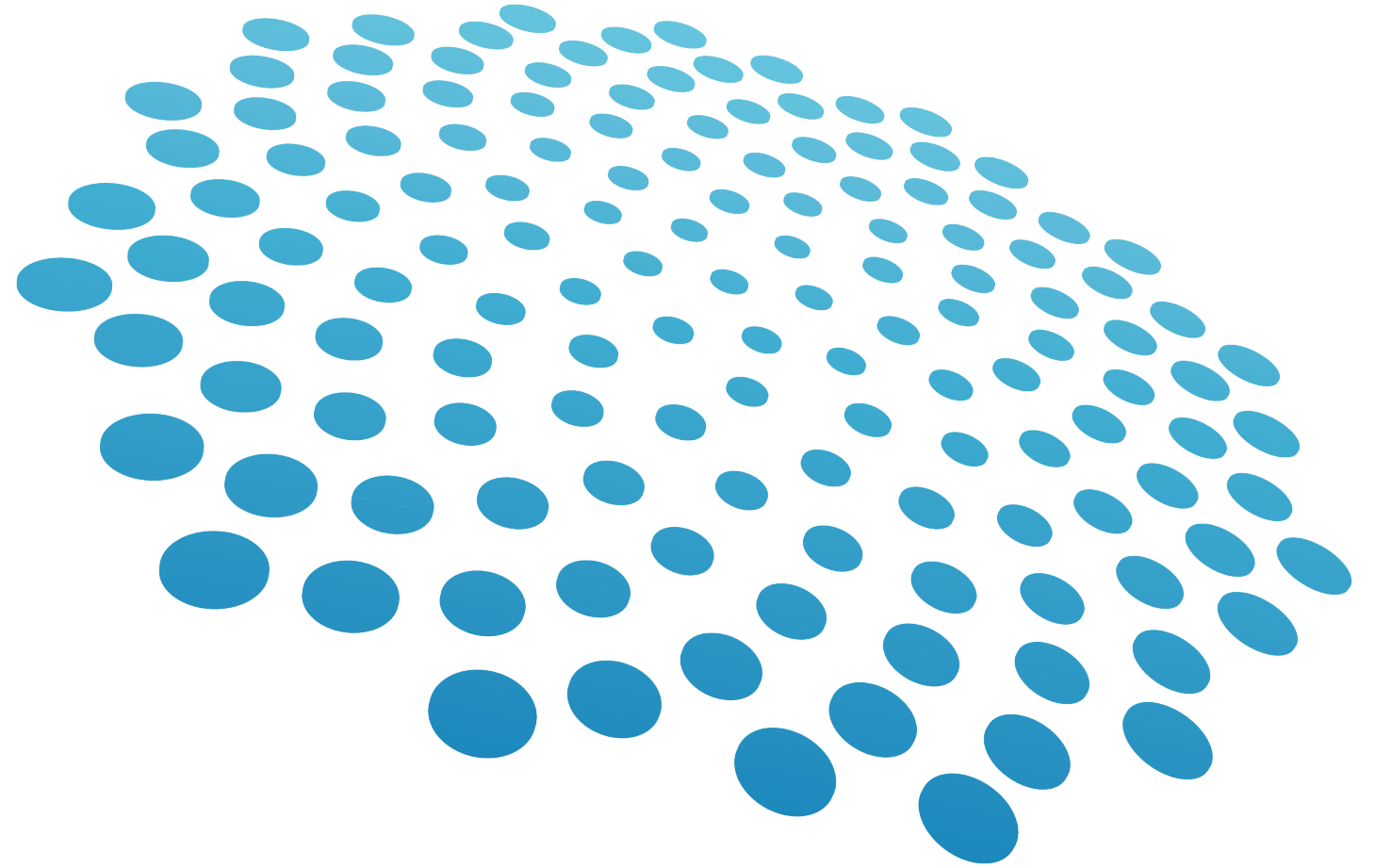
This presentation has not been verified. The tables presented in the Slides have been produced using spreadsheets and may be subject to rounding differences.

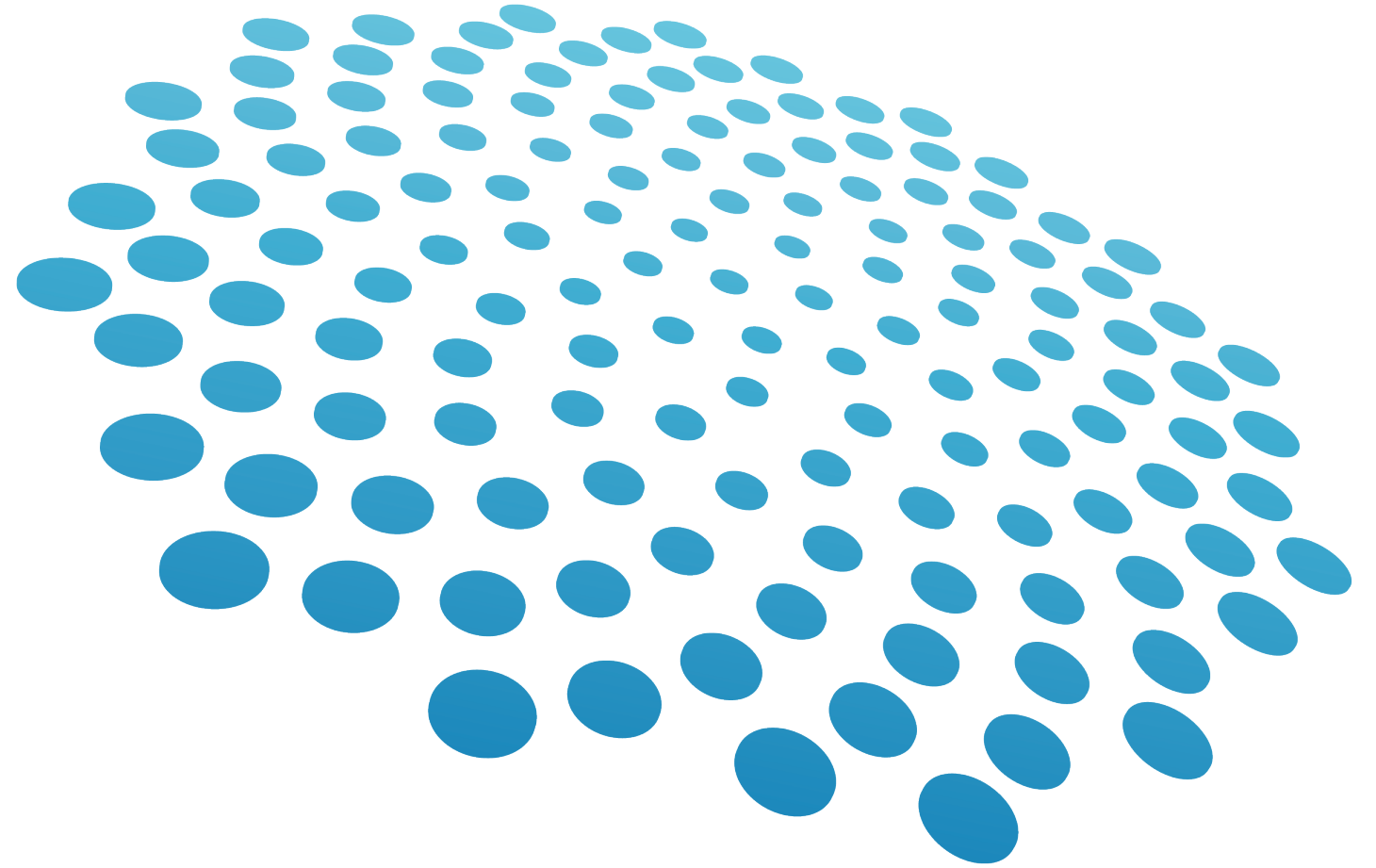
The Slides do not constitute or form part of an offer or invitation to issue or sell, or the solicitation of an offer to subscribe or purchase, any securities to any person in any jurisdiction.

Cenkos Securities plc, who is authorised and regulated by the Financial Conduct Authority, has been appointed the Company's Nominated Adviser and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc. Any other person should seek their own independent legal, investment and tax advice as they see fit. Cenkos Securities plc's responsibilities as the Company's Nominated Adviser under the AIM Rules will be owed solely to the London Stock Exchange plc and not to the Company, to any of its directors or any other person in respect of a decision to subscribe for or acquire shares or other securities in the Company. Cenkos Securities plc have not authorised the contents of, or any part of, the Slides and no representation or warranty, express or implied, is made as to any of its contents.

Terms and conditions relating to the Slides and the presentation and any matter or dispute (whether contractual or non-contractual) arising out of them shall be governed by and construed in accordance with English law and the English Courts shall have exclusive jurisdiction in relation to any such matter or dispute.

By attending the presentation of the Slides and/or accepting this document you agree to be bound by the foregoing limitations and restrictions and, in particular, will be taken to have represented, warranted and undertaken that: (i) you have read and agree to comply with the contents of this notice; (ii) you will observe the foregoing provisions, limitations and conditions; and (iii) you will not forward the Slides (including any information given in the verbal presentation of the Slides) to any other person, or reproduce or publish this document, in whole or in part, for any purpose.





Mark Payton
CEO

Above industry cash returns
through proactive local delivery of
the right capital, to the right
companies, at the right time

5.6m

SMEs in the UK, of these:

- ~4% of SMEs reach £1m t/o
- ~0.4% of SMEs reach £10m t/o
 - ~22,000 are scale ups / High Growth Firms (20%+ PA growth over three years)

~13 and ~10 years

Median time from
seed to trade sale/IPO

Regional university
research income

> Oxford, London,
Cambridge combined

~80% of venture
deployed is in
London / greater
London

Deal concentration
in London

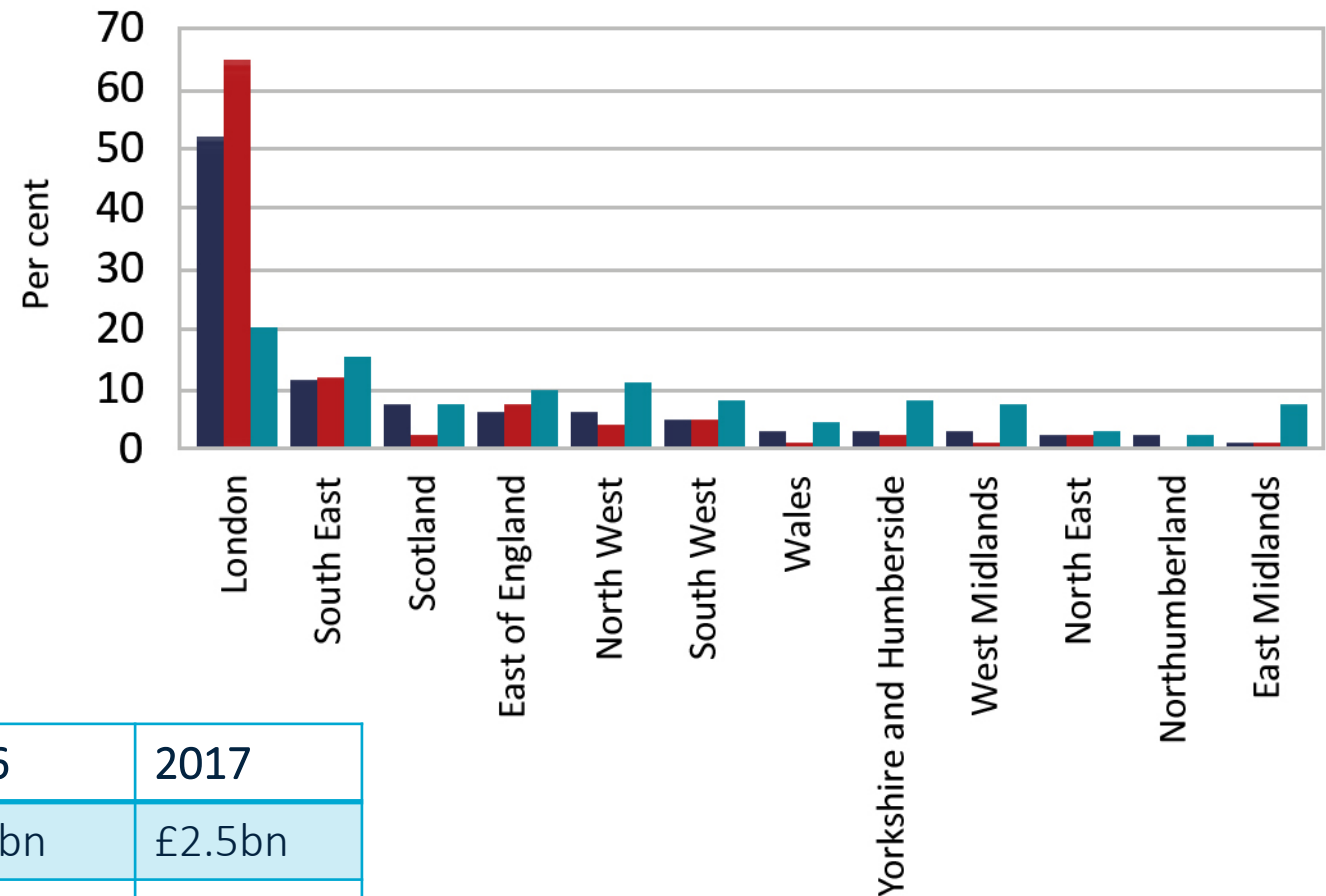
High growth/ scale-
up enterprises

> 70% located in the
UK regions

Growing venture capital concentration

- Equity Deals (Q4 2016-Q3 2017)
- Equity Investment (Q4 2016-Q3 2017)
- HGFs

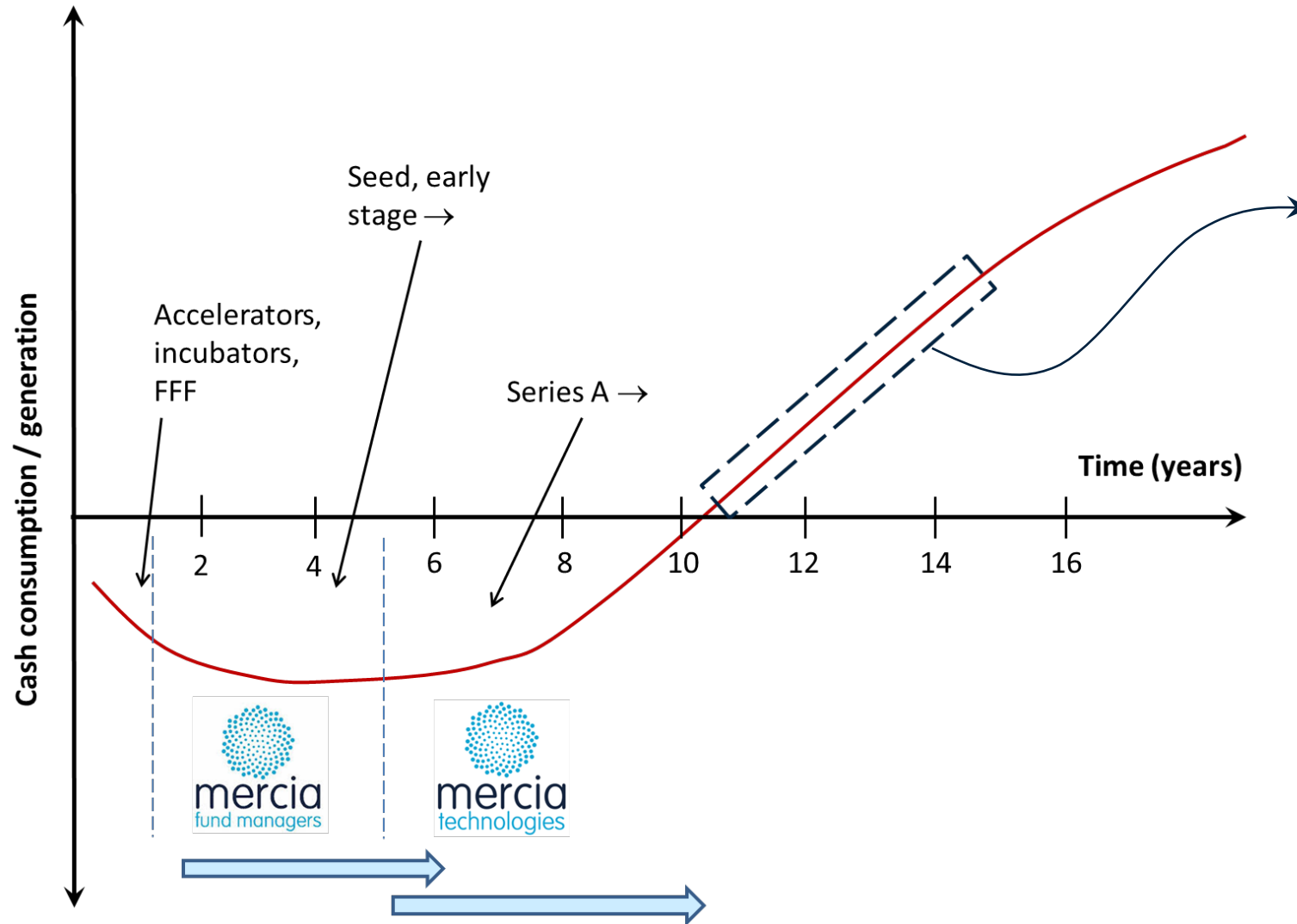
Source: Beauhurst, ONS and British Business bank calculations



	2014	2015	2016	2017
London:	£0.7bn	£1bn	£1.2bn	£2.5bn
Rest of UK/UK regions:	£0.3bn	£0.6bn	£0.4bn	£0.5bn

* Taken from PitchBook

Mercia's fit in the venture industry



Exits

allinea

ABZENA
Enabling better biopharmaceuticals

science
warehouse

'Group' annual investment rates (funds and balance sheet):

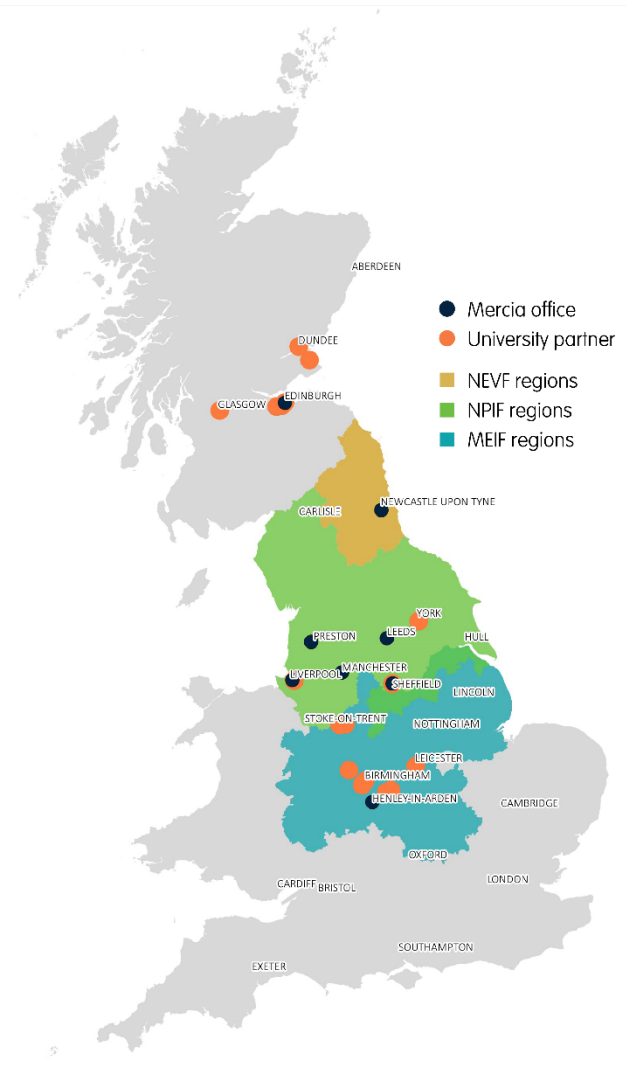
- In 2016/17: ~£20million
- In 2017/18: ~£50million
- In 2018/19: ~£60million+

Regional:

- 9 offices, over 80 employees
- £400m of regional third party fund mandates
- Circa £230m of free cash to invest over the next 4-5 years

Scale up capital:

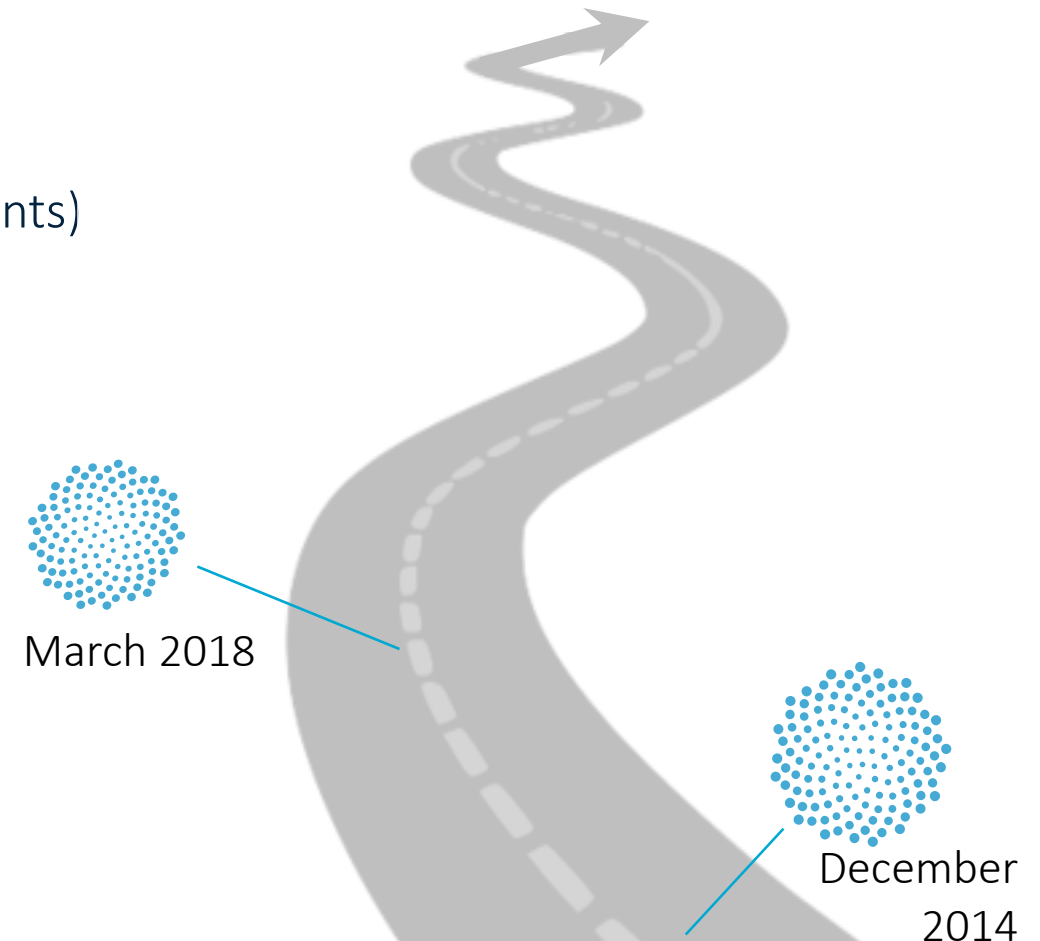
- Net assets, as of March 2018, of £123m
- Circa £40m of balance sheet capital available to invest



- Early access to UK-based disruptive tech businesses
- Revenue model through fund AMF, service fees, fund carry and investment returns
- Provides highly capital efficient and robust financial model
- Risk-mitigated, balanced portfolio of ~20 direct assets
- Co-investment opportunities for share register

Our journey: in just over three years to March 2018 ...

-  **£10.2million** turnover
-  **~£500million AuM:**
 - ~£400m FuM (~190 tech. venture companies)
 - ~£66.1million portfolio valuation (~20 direct investments)
 - ~£49.4million unrestricted cash
-  **3** balance sheet cash realisations
-  **9** offices in the UK
-  **80** employees
-  **19** university partners
-  **Business built to deliver**



Starting to deliver both balance sheet and funds' value

- 15% IRR on balance sheet (December 2014 – March 2018)
- RSGF (oldest VC managed fund, 2002) ~18% IRR and 4.5x DPI



- North of England/Leeds University
- Sold in March 2018
- ~£10.5m full cash realisation



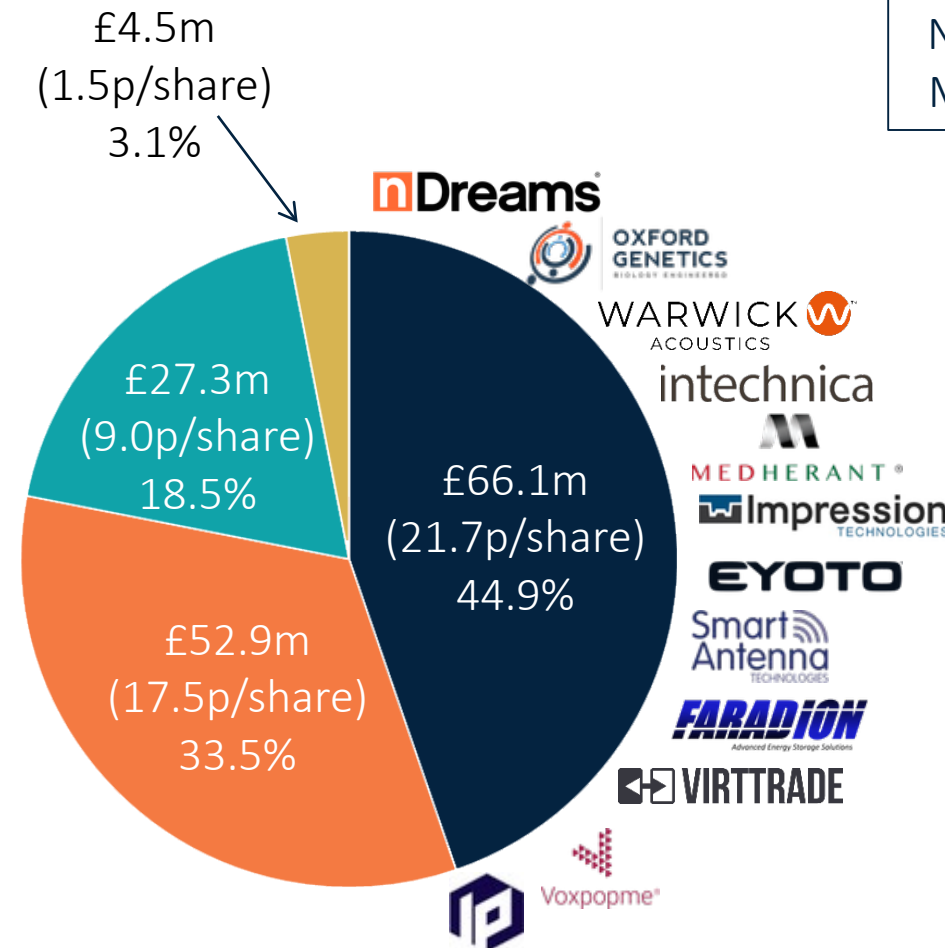
- Midlands/University of Warwick
- Sold in December 2016
- ~£2.9m full cash realisation



- North of England (Fund investment, RSGF)
- First invested in 2004, divested in 2016-18
- Return to date ~80x (~£84m)

A share in Mercia; *sum of the parts*

- Goodwill, intangible assets & net working capital
- Mercia Fund Managers (MFM)
- Cash
- Direct investments



NAV: 40.7p/share
MFM: 9.0p/share

Board and Team (~24% shareholding)

The Board



Dr Mark Payton
CEO



Martin Glanfield
CFO



Julian Viggars
CIO



Susan Searle
Non-executive
Chair



Ian Metcalfe
Snr Independent
Director



Ray Chamberlain
Non-executive
Director



Dr Jonathan Pell
Non-executive
Director



Caroline Plumb OBE
Non-executive
Director

Sector Investment Team Leaders



Peter Dines
COO and Head of Life
Sciences & Biosciences



Dr Alistair Forbes
Head of Software &
the Internet



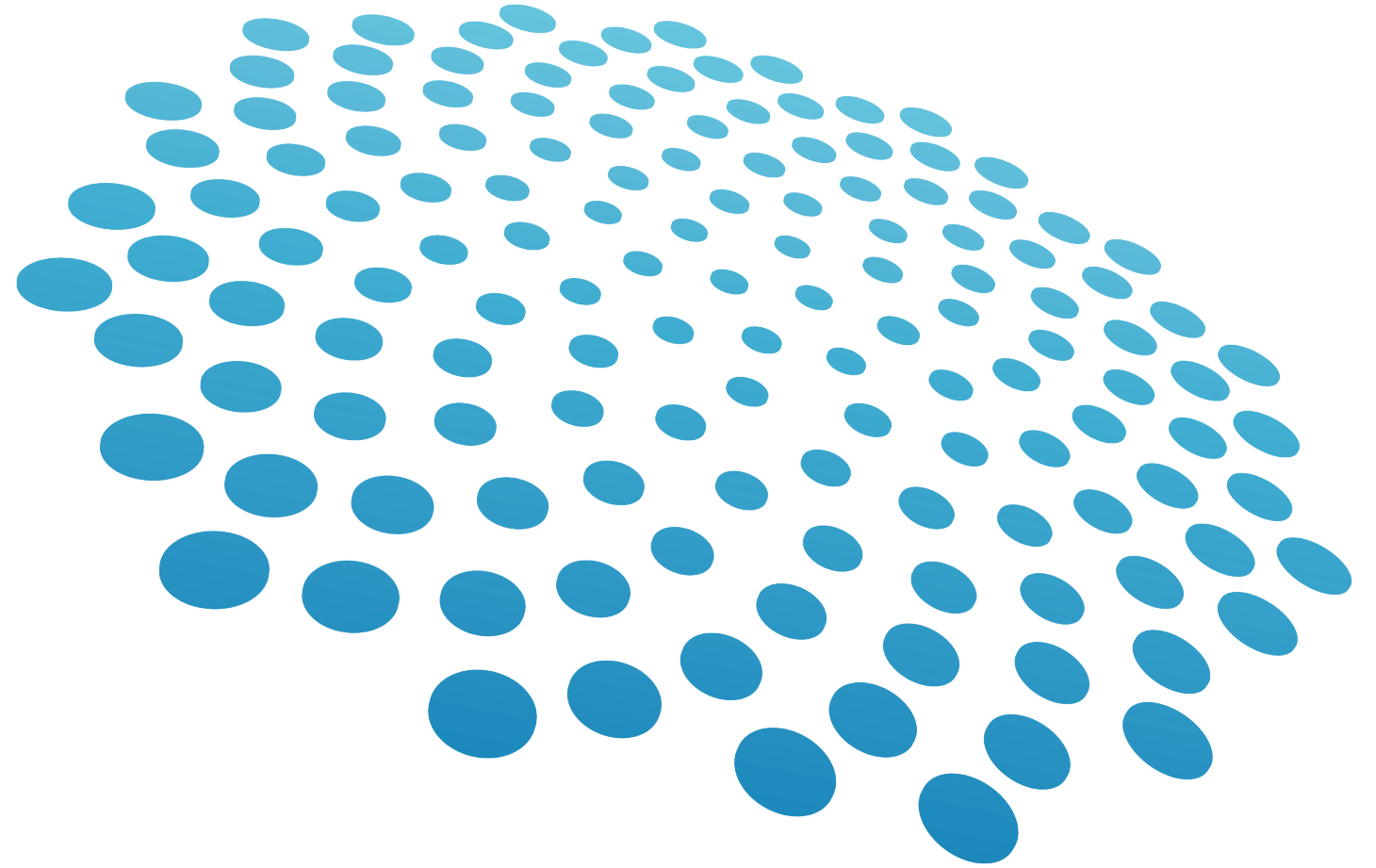
Dr Mark Volanthen
Head of Electronics,
Materials, Manufacturing
& Engineering



Mike Hayes
Head of Digital &
Digital Entertainment



Dr Nicola Broughton
Head of Universities



Summary financial information

	Year to 31 March 2018 £'000	Year to 31 March 2017 £'000
Income statement - key items		
Revenue	10,197	6,660
Administrative expenses	(10,633)	(9,143)
Net expenses	(436)	(2,483)
Realised gains on disposal of investments	871	839
Fair value movements in investments	2,823	4,268
Exceptional item – deferred consideration	(1,125)	(1,125)
Profit for the financial year	1,663	1,043
Balance sheet – key items		
Direct investment portfolio value	66,070	52,028
Cash and short-term liquidity investments *	52,908	63,829
Net assets	123,470	121,354
Cash flow – key item		
Net cash flows from direct investment activities **	(10,664)	(8,779)

* Includes £3.5million of cash held on behalf of 3rd party fund investors (31:03:17 £4.2million)

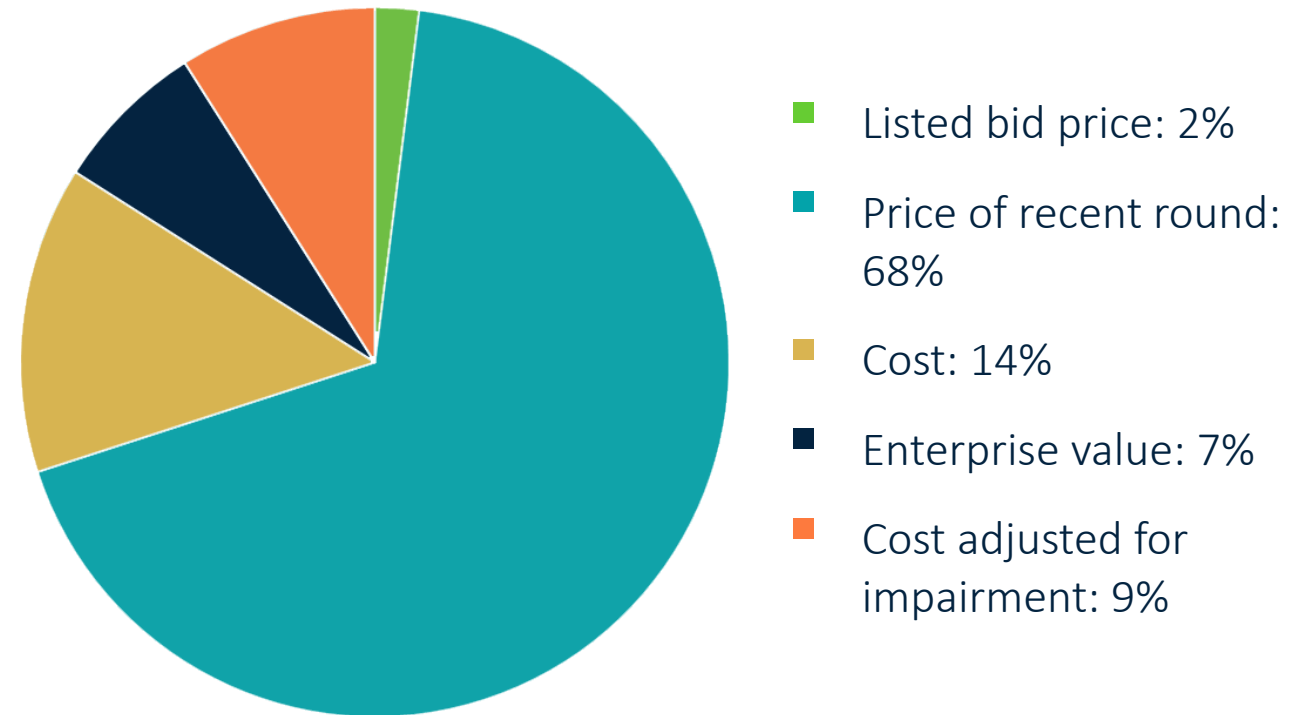
** Net of £10.5million disposal proceeds from Science Warehouse sale

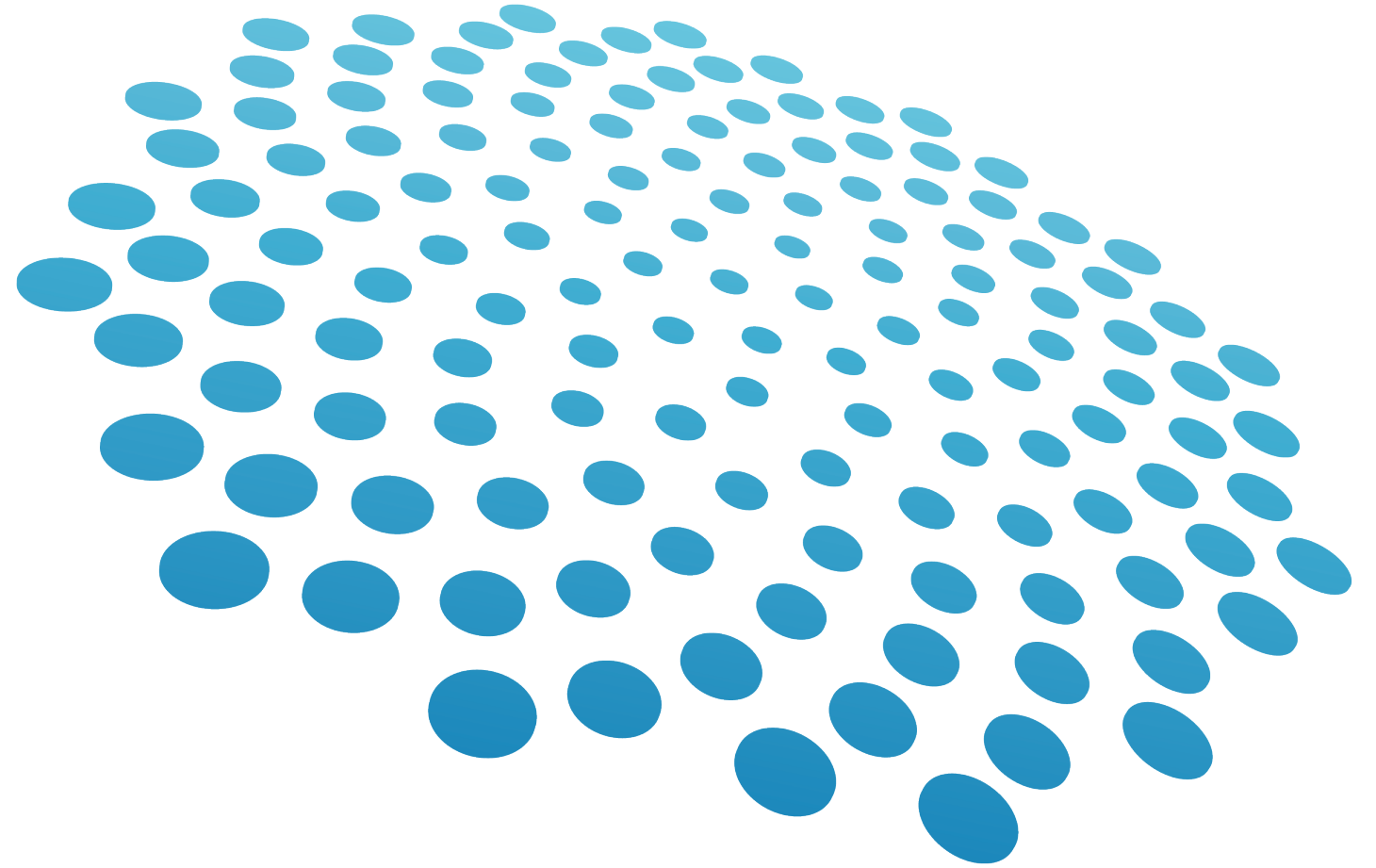
Direct investment holdings

99.3% of portfolio
value represented by
top 20 investments

	Net investment value As at 1 April 2017	Net cash invested Year to 31 March 2018	Investment realisations Year to 31 March 2018	Fair value movements Year to 31 March 2018	Net investment value As at 31 March 2018	Percentage held As at 31 March 2018
Investment	£'000	£'000	£'000	£'000	£'000	%
nDreams Ltd	10,979	2,000	-	-	12,979	45.6
Oxford Genetics Ltd	2,196	2,500	-	4,394	9,090	40.6
Warwick Acoustics Ltd	2,791	1,800	-	1,561	6,152	64.0
Ton UK Ltd t/a Intelligent Positioning	2,500	500	-	1,216	4,216	28.8
Intechnica Ltd	-	3,750	-	271	4,021	27.9
Medherant Ltd	650	2,500	-	303	3,453	31.9
Impression Technologies Ltd	1,500	1,520	-	87	3,107	26.6
VirtTrade Ltd	1,538	1,000	-	-	2,538	28.4
PsiOxus Therapeutics Ltd	2,377	-	-	-	2,377	1.5
Smart Antenna Technologies Ltd	2,259	450	-	(561)	2,148	28.0
Edge Case Games Ltd	2,310	1,500	-	(1,810)	2,000	21.2
The Native Antigen Company Ltd	1,141	23	-	778	1,942	32.7
LM Technologies Ltd	1,770	100	-	43	1,913	41.4
Aston EyeTech Ltd t/a Eyoto	-	1,750	-	-	1,750	18.7
Crowd Reactive Ltd	1,500	150	-	-	1,650	28.3
sureCore Ltd	1,500	-	-	-	1,500	23.0
Concepta PLC	3,400	365	-	(2,459)	1,306	18.2
Faradion Ltd	1,299	-	-	-	1,299	13.6
Soccer Manager Ltd	1,599	-	-	(400)	1,199	31.6
Voxpopme Ltd	-	1,000	-	-	1,000	12.3
Science Warehouse Ltd	9,913	-	(9,913)	-	-	-
Other direct investments	806	224	-	(600)	430	n/a
Totals	52,028	21,132	(9,913)	2,823	66,070	n/a

- All £66.1million of investments are held at fair values based on IPEV CV Guidelines
- Early-stage companies often have no current/short-term future earnings or positive cash flows
- Consequently, the most appropriate fair value methodology is that based on available market data, being the 'price of recent investment'
- 'Price of recent investment' can be either 'price of recent funding round' or 'cost' in the case of a new direct investment





Balance sheet:

Focused balance sheet investment

Software & the Internet

- Artificial intelligence
- Cybersecurity
- Software as a service
- Analytical tools
- Adtech



Digital & Digital Entertainment

- Virtual reality
- Augmented reality
- Gaming/content
- Serious games



Electronics, Materials, Manufacturing & Engineering

- Energy
- Communications
- High value electronics
- Manufacturing applications

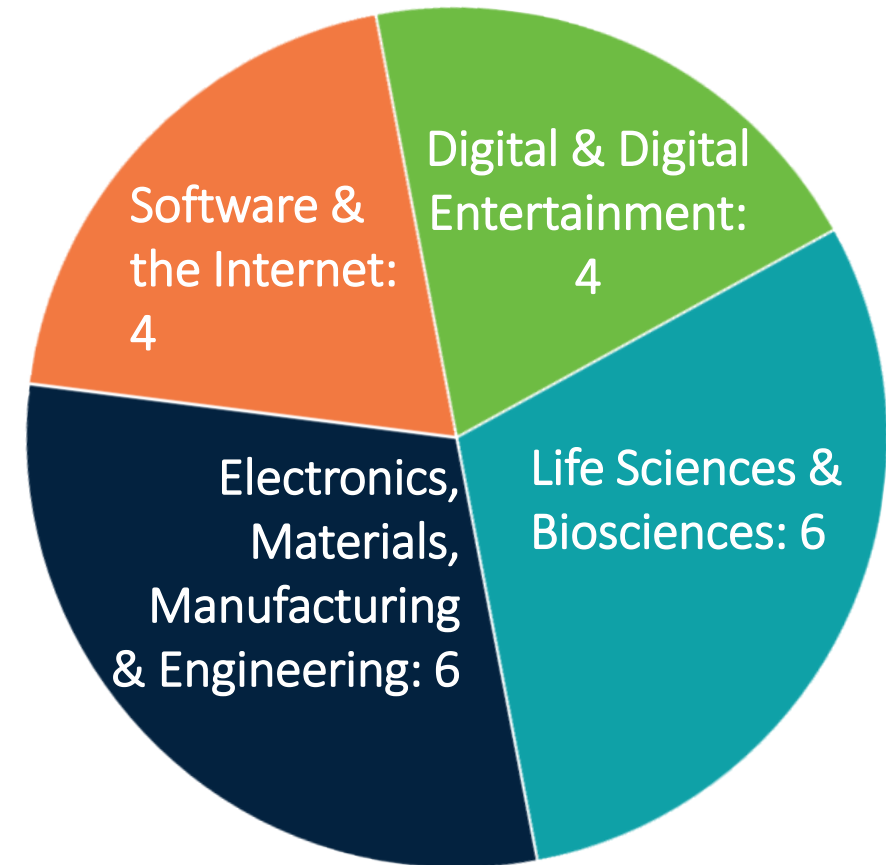


Life Sciences & Biosciences

- Diagnostics
- Digital health
- Medical devices
- Synthetic bio



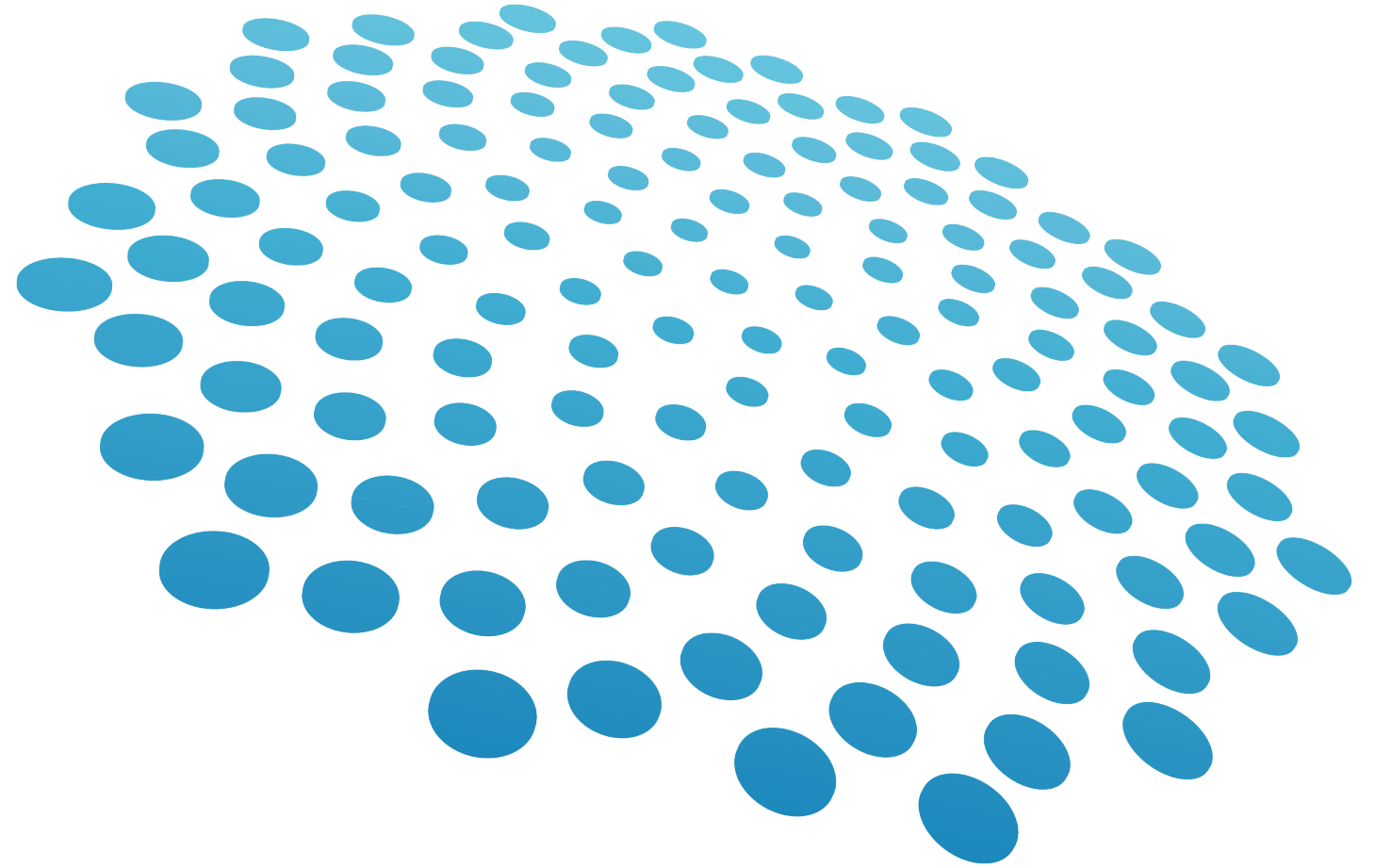
Portfolio composition
(values above £1.0million)



Balance sheet:

Strong growth and commercial progress

					
					
					 Global co





IntechnicaTM

London | Manchester

Increase enterprise value and reduce risk through technical excellence

ITDD, VDD, Roadmap Assurance, Technical Value Creation Strategy, Technical and Digital Strategy, Technical Change Management, Technical Programme Acceleration and Rescue

Company founded from years of experience designing and building systems to manage peaks in demand



The answer is always people...

Nick Baglin – General Manager

Nick has 18 years' experience in cyber security, software technology sales and executive level company management. He has strategically grown vendor, reseller and system integration businesses to record levels and is responsible for Netacea's market expansion, sales and customer facing technical teams.



Mike Gibbons – Investor and Advisor

A serial entrepreneur, Mike grew Mobica Ltd into a global professional services business of 1,000 staff and was previously CEO and President of Teleca and Managing Director of Syslogic Ltd.



Professor Mark Hurley – Chairman

Mark is Chair and Non-Executive Director of a number of technology businesses. He is an IP specialist and was previously Co-Founder and Director of International Communications Ltd.



Jeremy Gidlow – CEO

Performance expert and Co-Founder of Intechnica. Seventeen years' experience solving digital issues for leading companies. Trusted technology advisor to PE.



Andy Still – CTO

Co-founded Intechnica, Andy leads the design and build of Netacea. Expert on the subject of cloud computing services and architecting for large volumes of users and data. Published author.



Tony Bolland – Investor /Advisor

Tony spent 25 years building three 'Times Tech-Track 100 businesses as CEO and director of sales for enterprise technology security businesses. He has been CEO of Avecto Ltd. and was Founder and Director of AppSense Ltd and Vistorm.



Charles Sharland – Investor/Advisor

Charles is a technology investor and has a significant track record in scaling technology firms. He is Chairman of AppSense and Silicon Safe and was CEO of Vistorm.



Successful delivery to 350 Clients over 10 years

ITDD | VDD | Roadmap Assurance | Technical Value Creation Strategy |
Technical and Digital Strategy | Technical Change Management |
Technical Programme Acceleration and Rescue



MARKS &
SPENCER



JustGiving™

MARKS &
SPENCER



Dune

ASOS
discover fashion online



swinton
insurance

AVIS®

BETFRED



atgmedia



Nisa
making a difference locally

William HILL

Kingfisher

SELFRIDGES & CO

scribbler

fourth

TED BAKER
LONDON

HOBBS
LONDON

permanent tsb

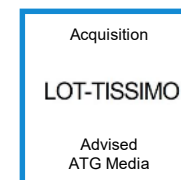
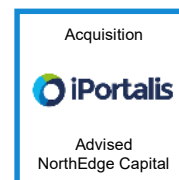
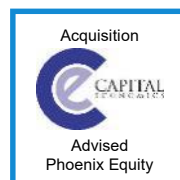
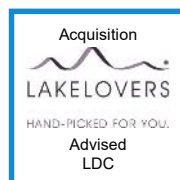
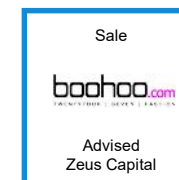
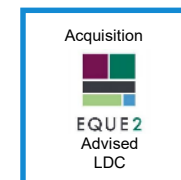
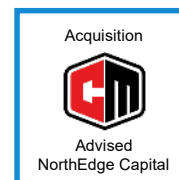
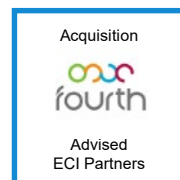
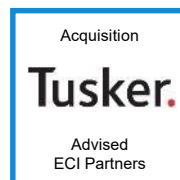
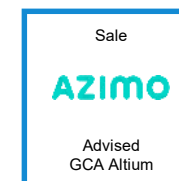
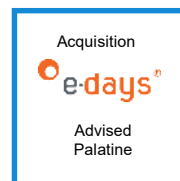
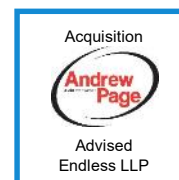
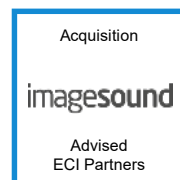
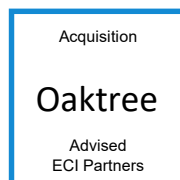


SHOP
DIRECT

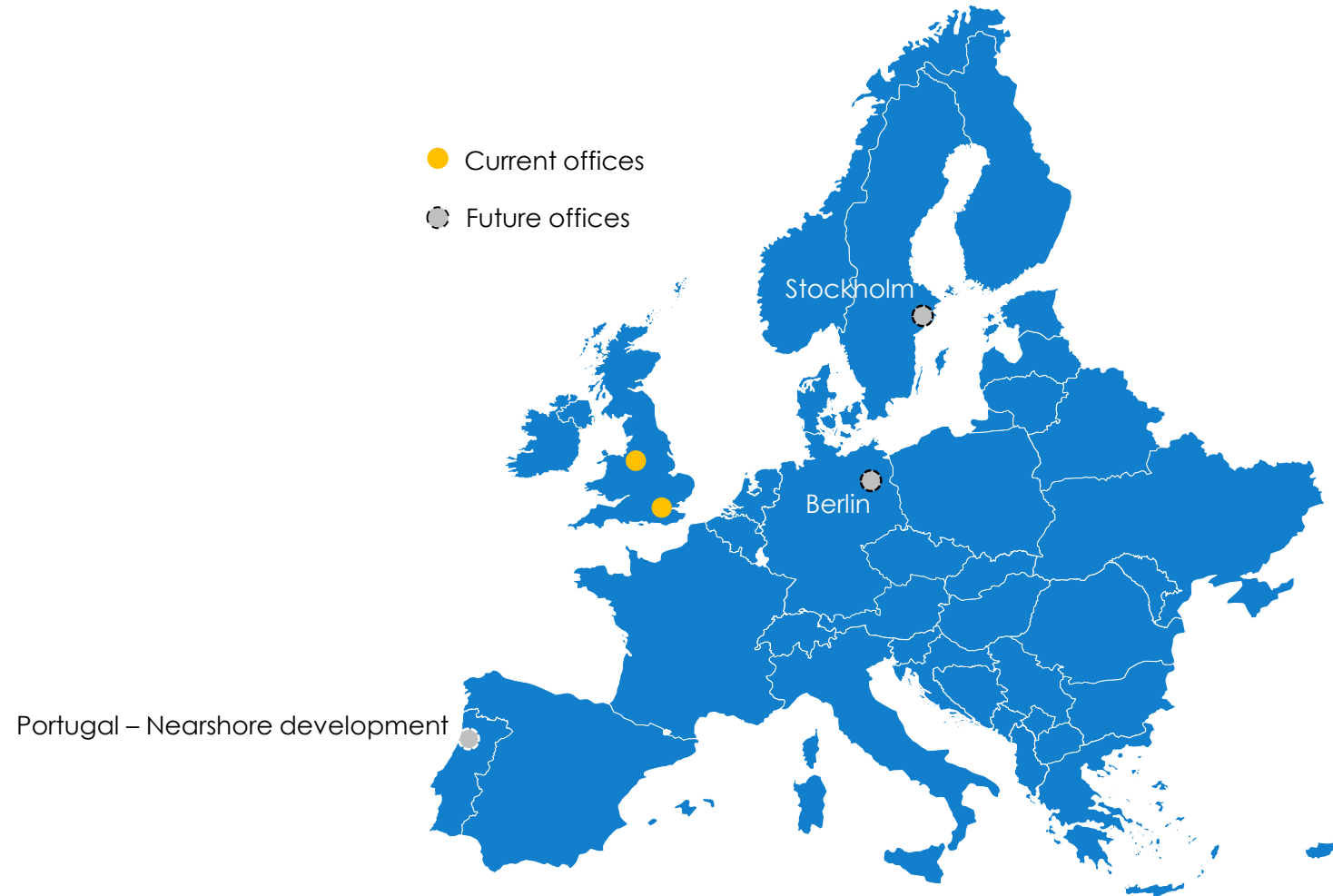
ORWELL

avantia

Intechnica are experienced technology advisors to mid-market private equity firms for M&As



International growth plans

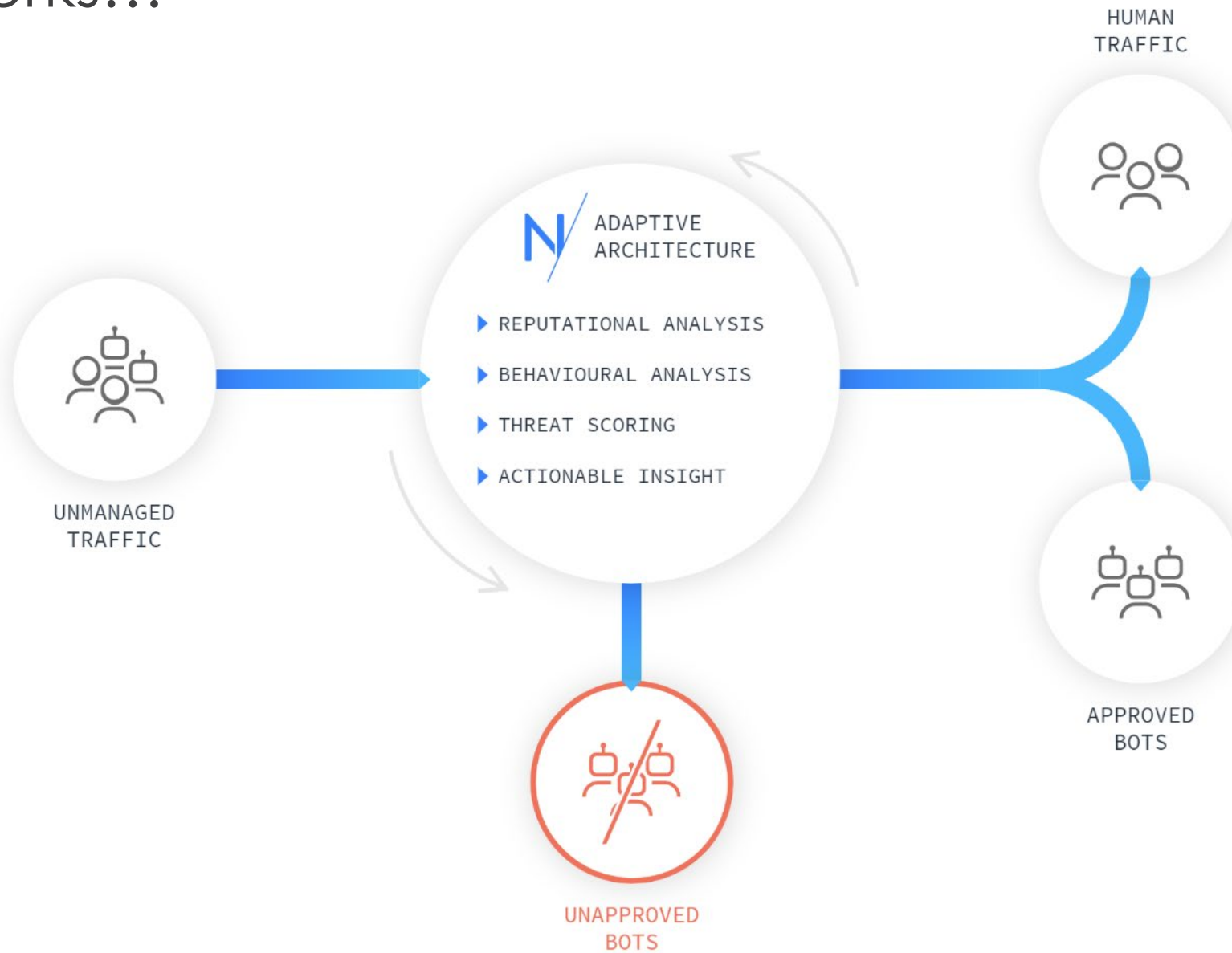


NETACEA SUMMARY



The World's Most Advanced Account Takeover, Bot Management and Virtual Waiting Room Solutions

How it works...



NETACEA

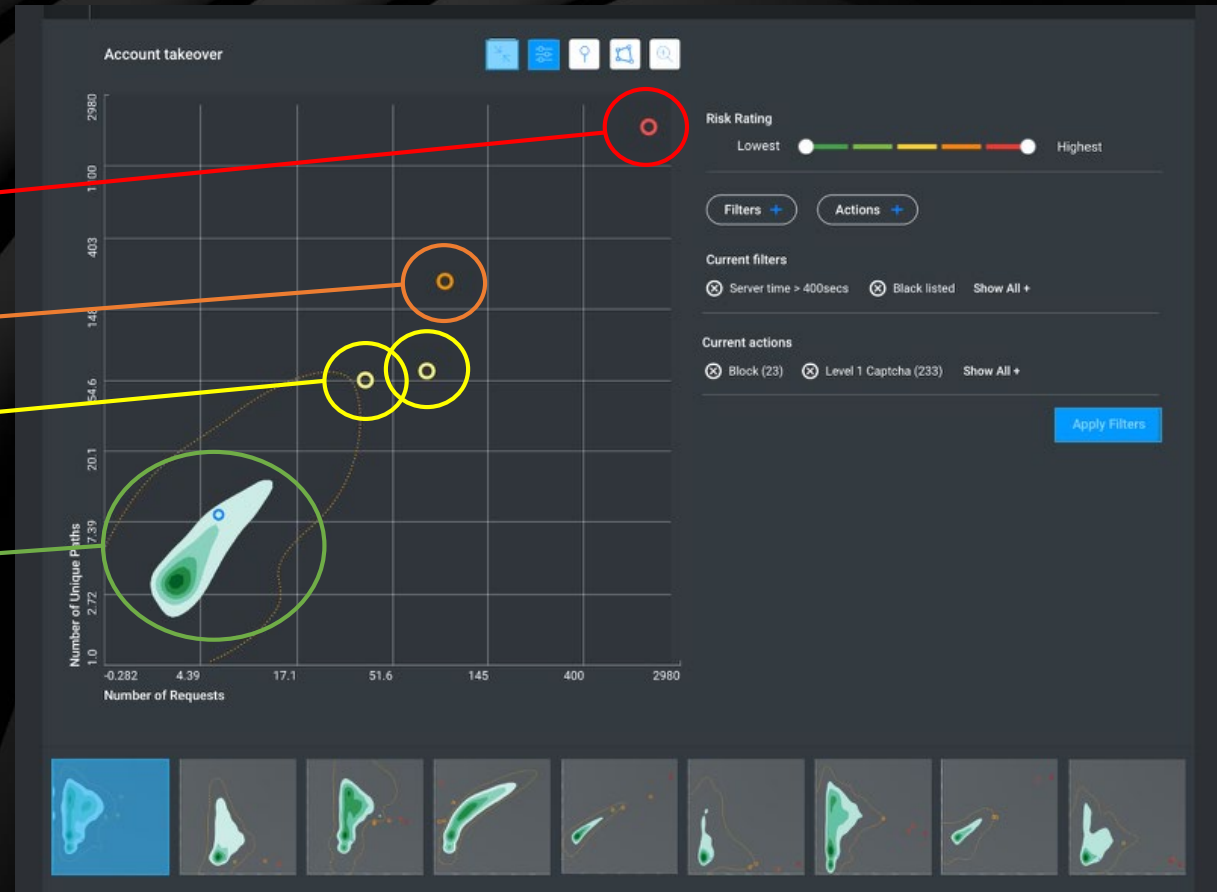
Behavioural analysis machine learning easily spots anomalous behaviour in a way that is extremely hard to defeat

Malicious behaviour

Suspicious behaviour

Unusual behaviour

Normal user behaviour



Leading International retailer case study – Account Takeover

GLOBALLY DISTRIBUTED ACCOUNT
TAKEOVER ATTACK

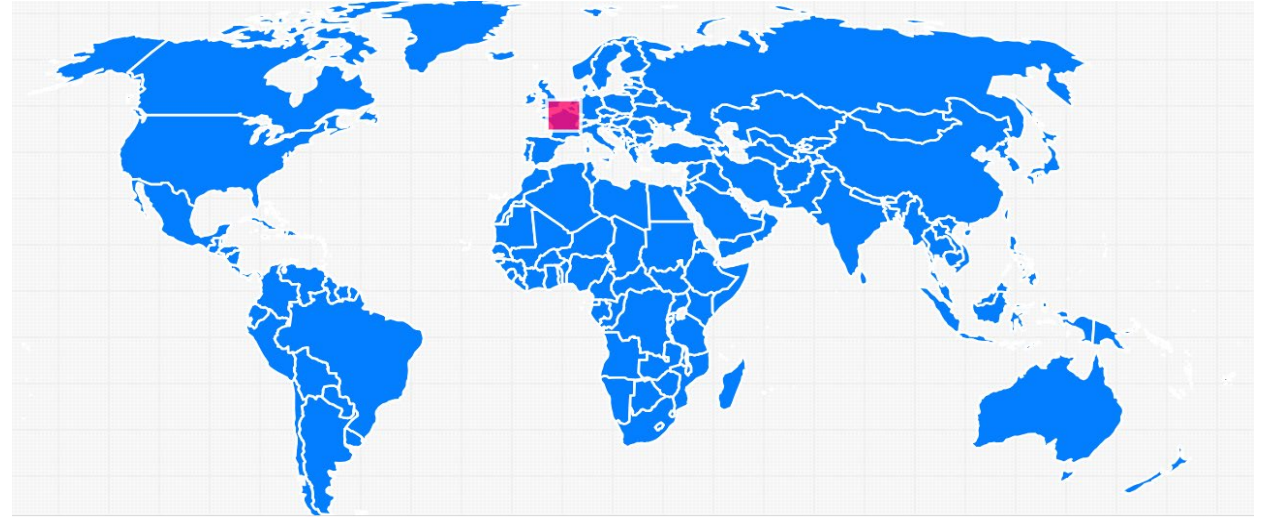
164k+

MALICIOUS LOGINS STOPPED

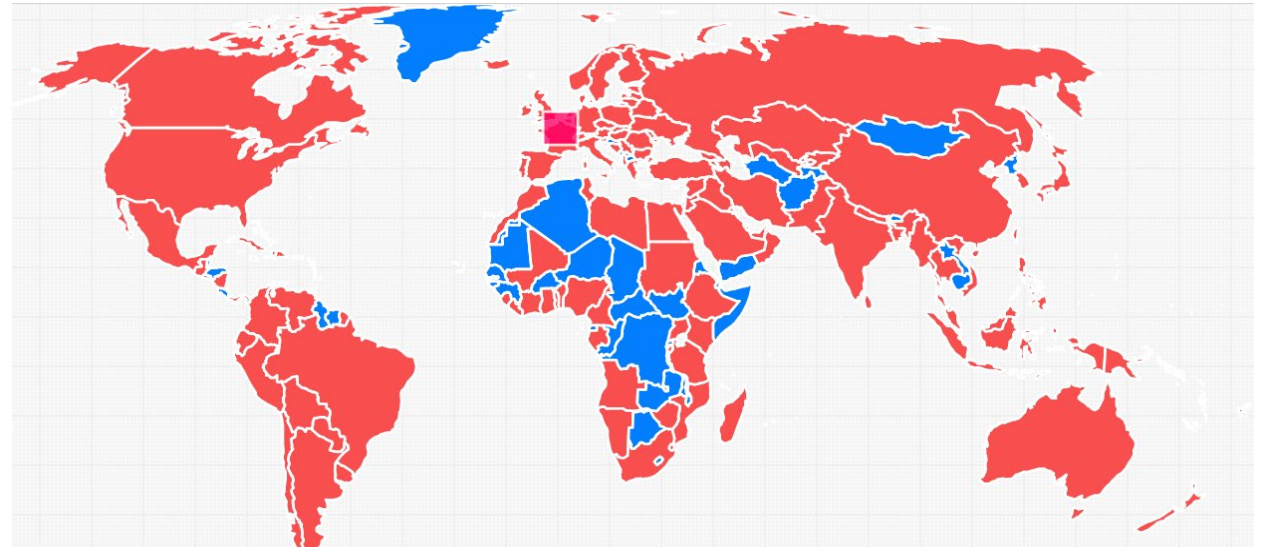
GENERATED BY **1,862**
DATA CENTRES

SPREAD ACROSS **144+** COUNTRIES

MALICIOUS LOGINS PRE ATTACK (0)



MALICIOUS LOGINS DURING ATTACK





NETACEA

To harness the power of AI to protect and
optimise the world's biggest websites

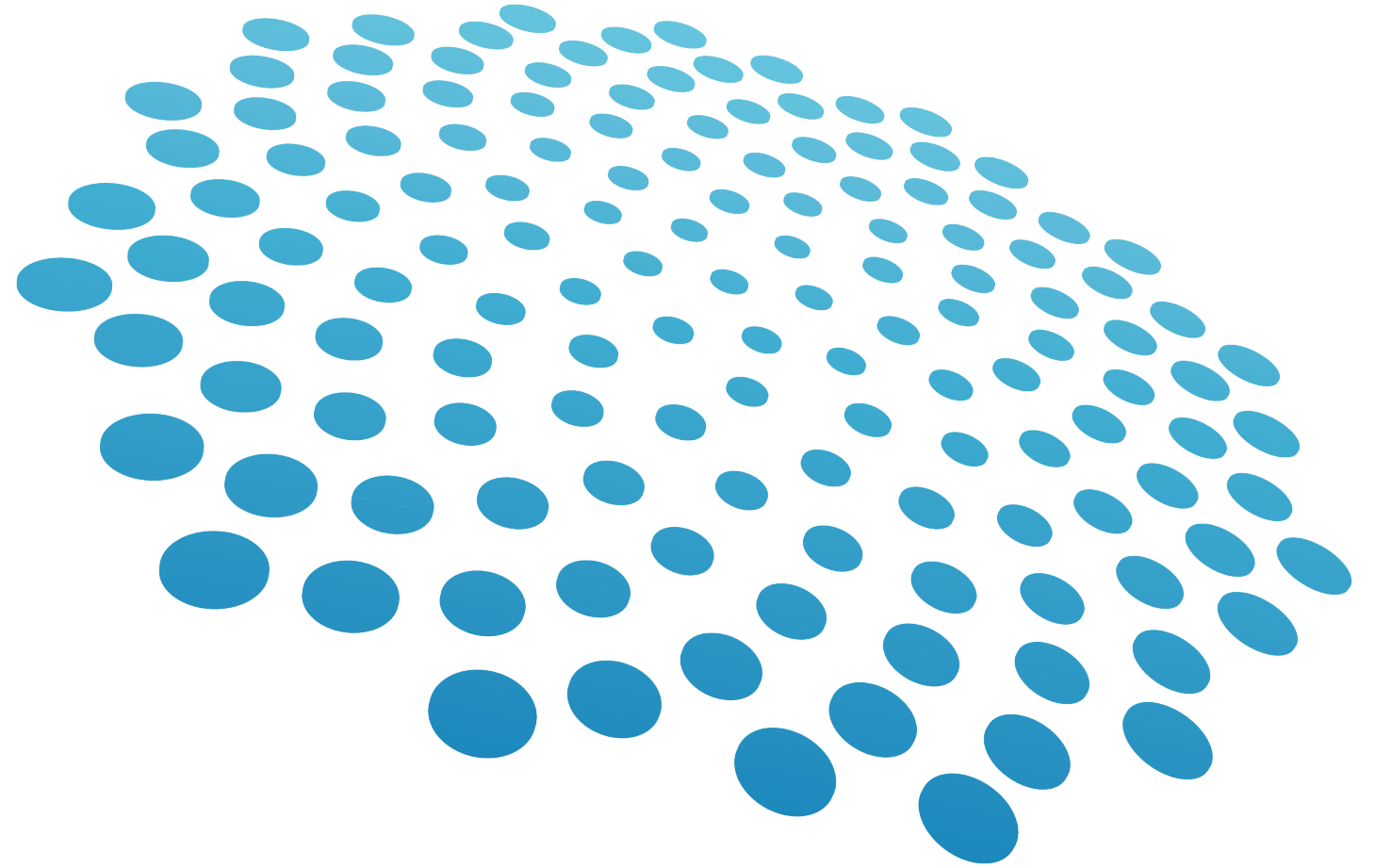
Become a recognised market leader in our space
Continue to innovate faster than the competition



Intechnica™

To create value and remove risk
through technical excellence

Expand internationally
Lead the technology advisory market



Jonathan Watkins
Impression Technologies

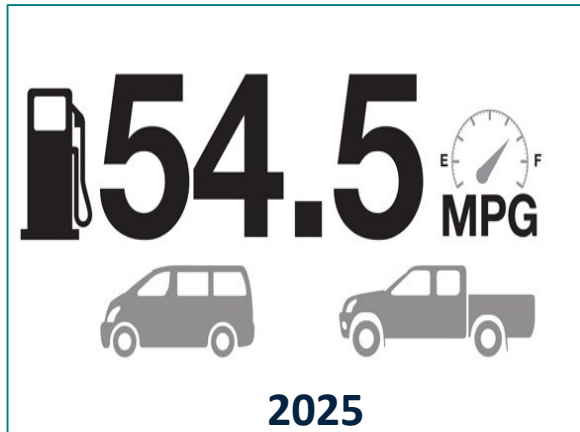
Impression Technologies Limited



**The low cost solution for advanced aluminium light-weighting –
a key cleantech enabling technology**



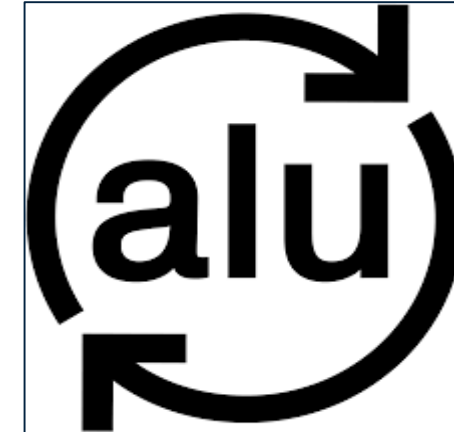
Aluminium is a sustainable solution



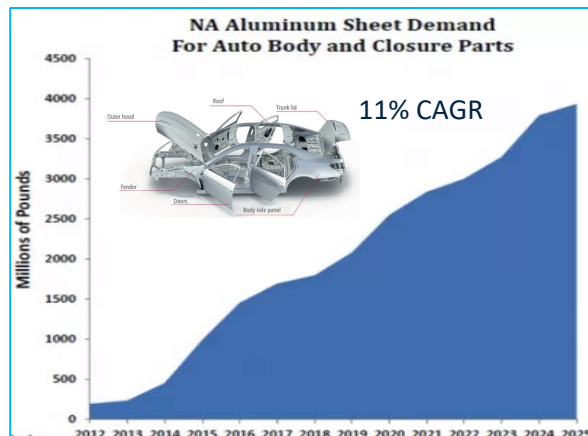
Fuel economy standards demand new technologies



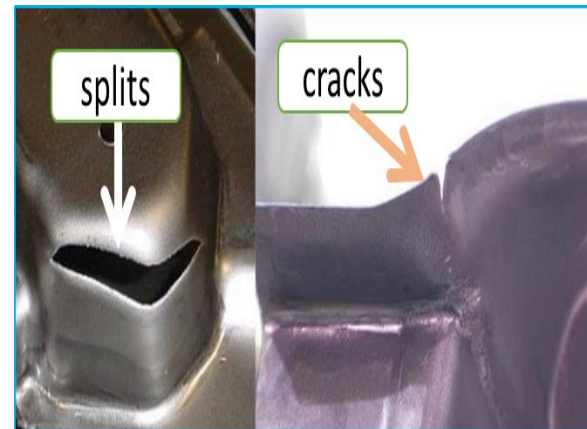
Light-weighting is easiest & most cost-effective option



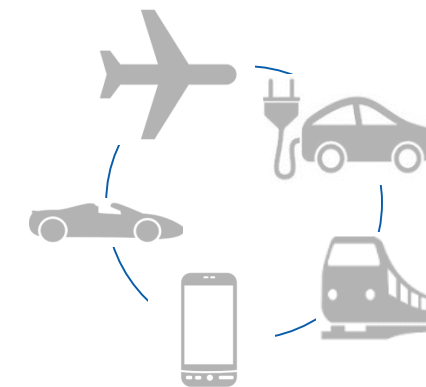
Aluminium provides a sustainable solution



Creating a dramatic growth in aluminium sheet use



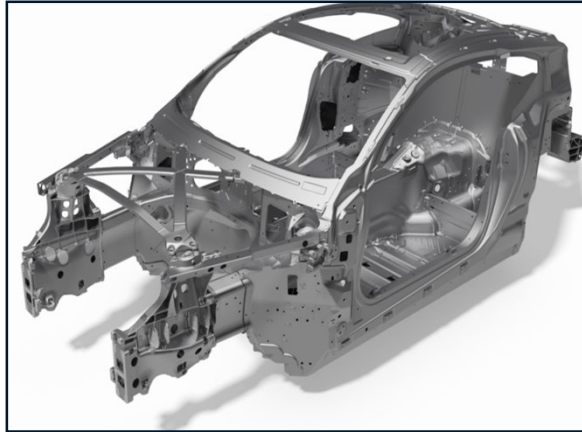
But is held back by poor formability of higher grades



LIGHTER > COST-EFFECTIVE > STRUCTURES



A new genre of aluminium forming



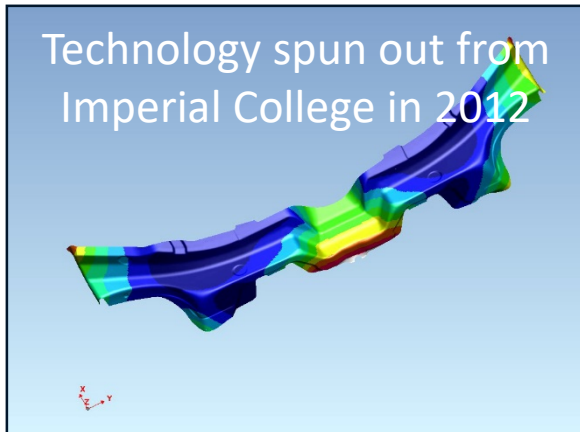
**Aluminium hot forming for
lightweight structures**



**Proven technology already
in commercial production**



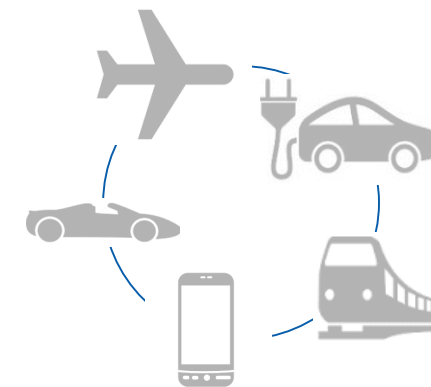
**€100bn+ market in auto,
aerospace, rail & electronics**



**~\$25m invested over 14 yrs
in process & simulation IP**



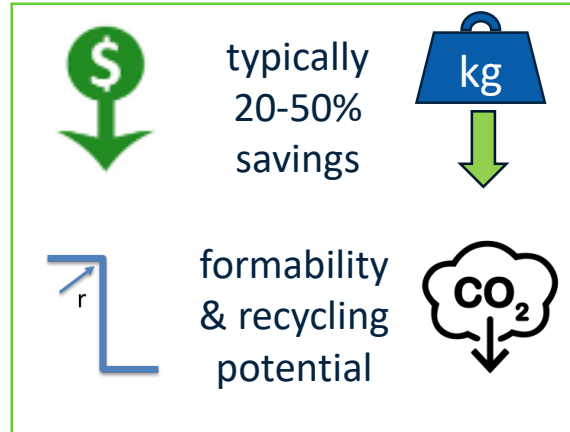
**Highly scalable model with
strong technology pipeline**



Meets needs of significant markets



Makes high strength Al competitive for mass market



Significant OEM benefits for mass produced parts



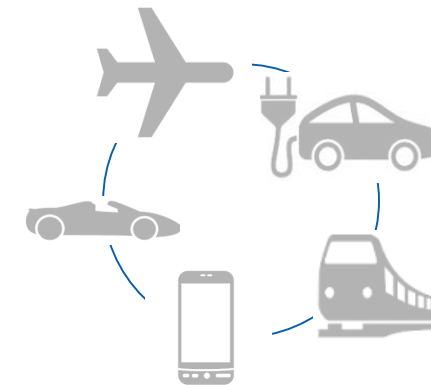
Uses current alloys & plant: no major adoption barriers



16 parts on Aston Martin & Lotus production cars



Projects in EVs, SUVs, rail, aerospace, electronics



Programmes with major global players



Volume Automotive



World's largest aluminium supplier to global auto OEMs

Major SUV OEM



World's #1 Tier 1 stamping supplier to global auto OEMs



£9.6m 'RACEForm' project demonstrating HFQ readiness for high volume automotive (including OEM certification of production intent Body and Chassis parts)

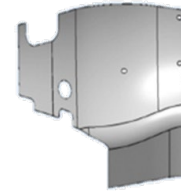
High speed trials Q4 '18, production intent Q2 '19



Passenger Aircraft



World's #4 commercial aviation OEM



Nacelles being converted from SPF to HFQ

£13m project demonstrating technical and commercial benefits of HFQ components (targeting commercial production for nacelle skins for 8 parts for engines)

Commercial production Q4 '20



Valued by light-weighting experts

“I believe that we will see a significant increase in HFQ applications as the Automotive Industry looks for further weight savings to meet the emissions challenge going forward & also reduce the weight of Battery Electric Vehicles (BEVs) to increase performance & range through light weight.”



Dr Mark White, former Chief Engineer at Jaguar & Land Rover & world authority in aluminium light-weighting in the automotive industry. Led the development of over 20 aluminium vehicles.



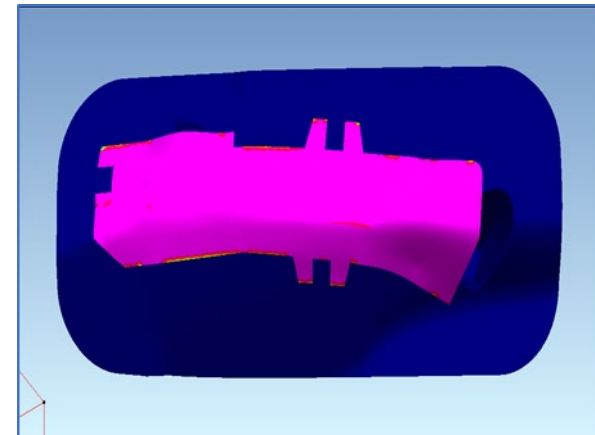
A range of IP & protective barriers



6 patent families with 3 new patents in pipeline ...



... with know-how in alloy processing & modelling ...



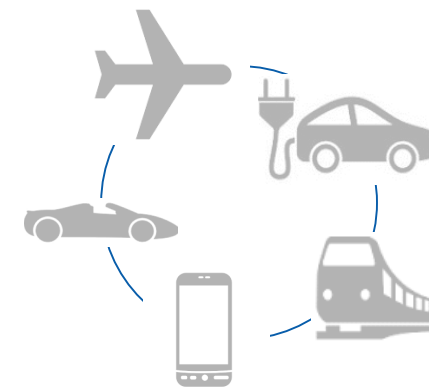
... encapsulated as secure code for software plug-ins



... offered to OEMs with applications know-how...



.. & supportive ecosystem of key players enhancing brand





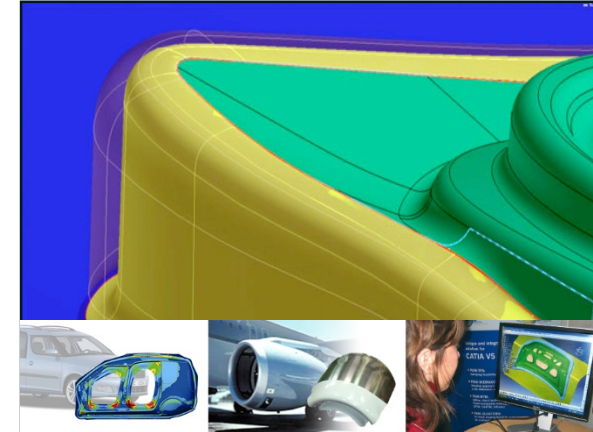
A scalable business model



Set as a global standard for advanced AI light-weighting



Competitive, non-exclusive licensing to OEMs & Tiers



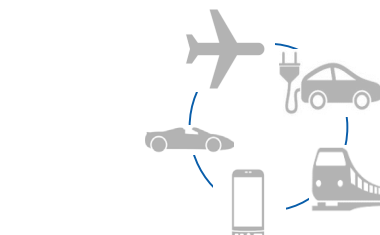
Provide paid-for software & engineering services



UK factory offers seeding & prototype volumes



Exploit potential for HFQ using recycled aluminium

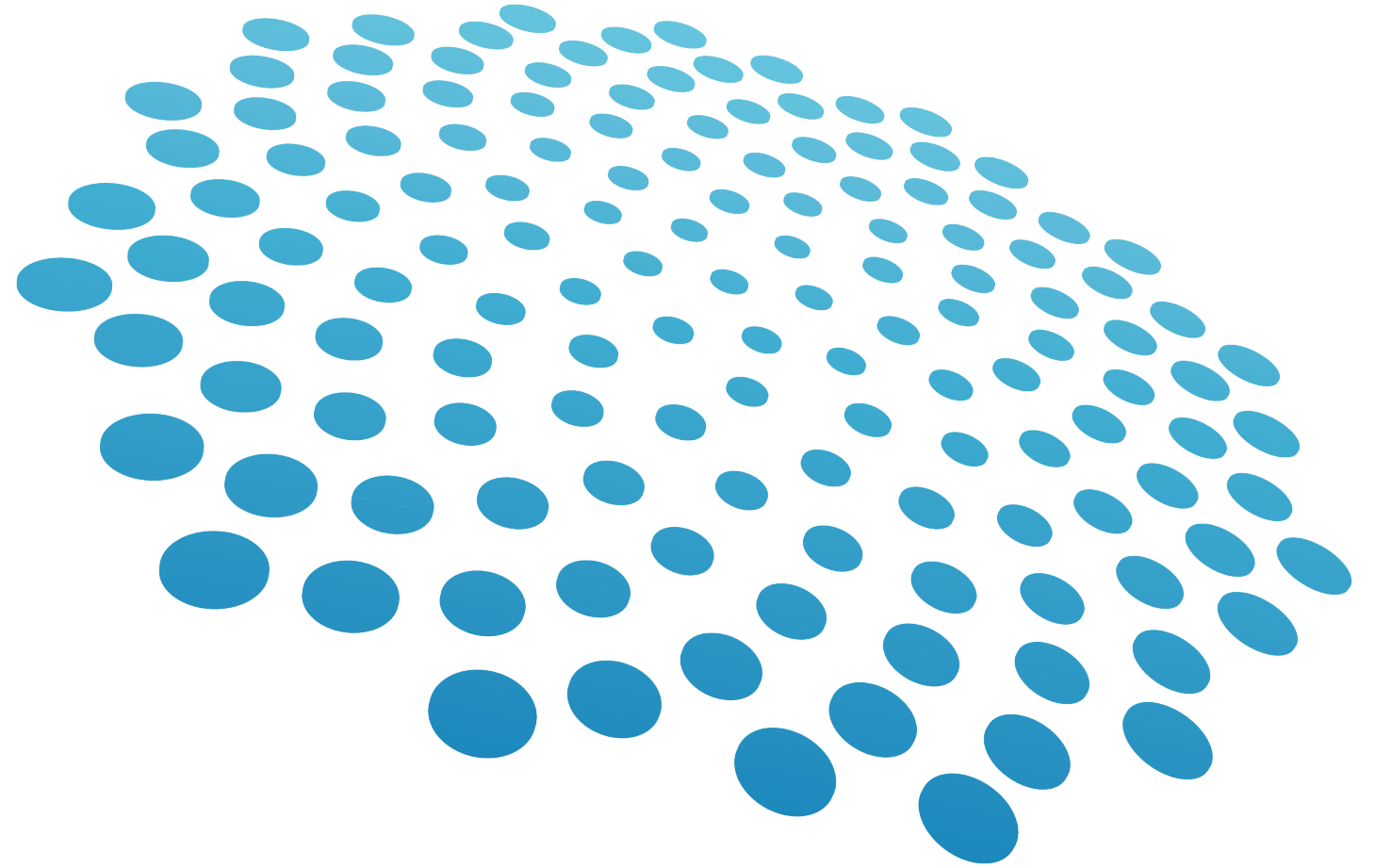


PARTNER NETWORK

Summary

- Aligns with drivers across a blended \$100bn market
- HFQ unlocks potential of high strength aluminium
- Proven cleantech technology with commercial revenues
- Strong engagement with global OEMs and suppliers
- Scalable licensing model supported by extensive IP







Medherant Limited

October 2018
Sally Waterman - COO

Who we are

A Company developing innovative products for pain and CNS diseases using a unique transdermal delivery technology, TEPI® Patch

- Formed as a spin-out from the world leading polymer chemistry group at the University of Warwick in the UK in 2015
- Exclusive, worldwide licence for revolutionary patented adhesive from Bostik
- Novel adhesive allows direct dissolution of a wide range of drugs to create the next generation of drug-in-adhesive patches to improve patient care

Strategic vision

To create a sustainable transdermal drug delivery company that generates value for patients, partners and investors by leveraging our unique TEPI® Patch technology to develop innovative products to treat pain and CNS diseases



MEDHERANT

Business model - Two potential sources of revenue

1. Develop own products and license for commercialisation

- Best-in-class products to address global markets
- Focus on products for pain and CNS diseases
 - Phase I studies for Ibuprofen TEPI Patch® ongoing
- Product generation engine to feed the pipeline

- CNS market expected to grow at a CAGR of 5.9% to \$128.9bn in 2025
- Pain management therapeutic market expected to grow at a CAGR of 3.7% to \$83bn in 2024

2. Collaborative development of products for partners

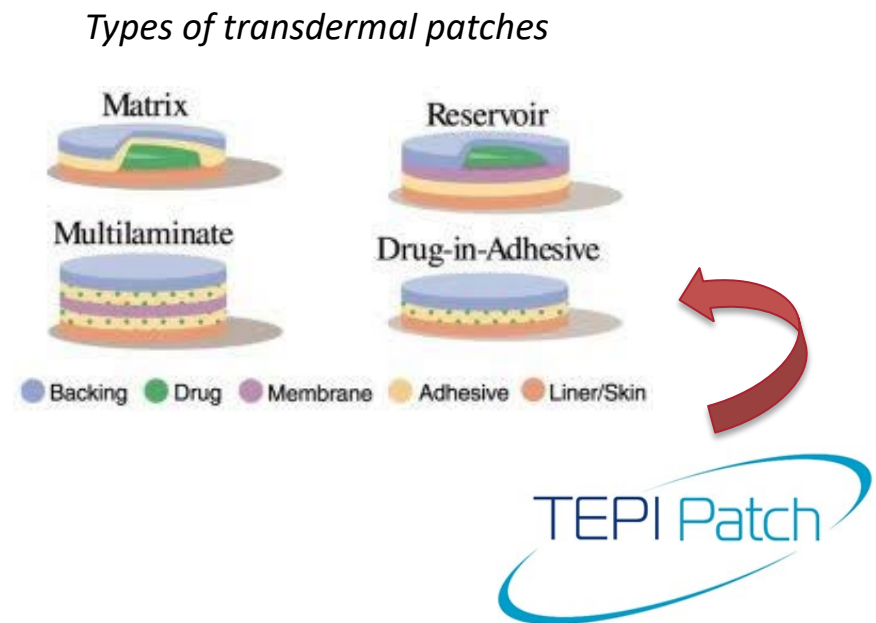
- Rapid low-cost two-stage feasibility studies as 1st step
- Multiple formulations developed and tested against target profile
- Formulation optimisation and manufacturing process development as 2nd step
 - Patches produced by Medherant on small scale pilot plant for non-clinical testing
- Licensing and technology transfer
 - Contract manufacture of TEPI Patch® established with AdhexPharma (France)

Sources: <https://www.grandviewresearch.com/press-release/global-central-nervous-system-cns-therapeutic-market>
<https://www.marketwatch.com/press-release/pain-management-therapeutics-market-is-supposed-to-reach-us-83-billion-by-2024-2018-05-30>



Transdermal drug delivery - Benefits and limitations

- Benefits of patches
 - Better dose control vs creams, gels & ointments
 - Avoidance of GI damage & 1st pass metabolism
 - Tailored steady release of drug from the patch
 - Convenient & improved compliance
- Main limitations of current technologies
 - Unsuitable for many drugs
 - Loss of adhesion
 - Unattractive & uncomfortable



GI = gastrointestinal

TEPI Patch® – Overcoming current limitations



High payload

Up to 50wt% achieved for drug + excipients

- Enables transdermal delivery of lower potency drugs
- Extended release (>24h) formulations can be developed
- Smaller and more discrete patch can be produced



Better adhesion

Sticks even when wet

- Full dose delivered as entire patch remains in contact with the skin
- No cold-flow of adhesive around the edges of the patch
- Easy and painless to remove like a sticking plaster



Other benefits

Flexibility to optimise delivery

- Less residual drug in the patch on removal
- Rates of flux can be customised to achieve desired product profile
- Solvent-free manufacturing process

TEPI Patch® technology overcomes key issues in formulating drug-in-adhesive patches



MEDHERANT

Extensive intellectual property portfolio

Owner	Patents	Covers	Expire
Bostik – exclusively licensed to Medherant for medical use	11 families – 85 granted patents	SPUR adhesive technology <i>Note: Patent maintenance funded by Bostik</i>	Dec-2028 to Dec-2034
Bostik/Medherant	Filed 2015 At PCT stage	Use of SPUR adhesive for drug delivery patches	2036
Medherant	Filed 2017	High throughput patch flux testing system	2038
	Filed 2017	Improvements to drug delivery patches ¹	2038
	Filed 2017	Polycarbonate adhesive	2038
	Filed 2018	‘Fast-cure’ adhesive	2039
	Filed 2018	Radiation cured adhesive	2039

¹To provide additional protection for the Ibuprofen TEPI Patch

PCT = Patent Cooperation Treaty; SPUR = silane terminated polyurethanes

Pipeline of TEPI® Patch products

Transdermal patches are widely accepted among physicians and patients due to their non-invasive, pain free and easy administration. About 40 patches are currently marketed and there are > 70 in clinical development.

TEPI Patch	Indication	Rationale for a patch	Market size
Ibuprofen (for the EU)	Local pain in acute muscular strains, or sprains in benign traumas	<ul style="list-style-type: none"> Delivers drug directly to site of pain 	\$519m (2022) for patches
Dronabinol (for the US)	In combination with other treatments for delayed and breakthrough CINV	<ul style="list-style-type: none"> Improved compliance so cancer patient less likely to miss chemo dose 	\$2.7bn (2022) for CINV
Fentanyl	Management of moderate to severe chronic pain that requires continuous long-term opioid administration	<ul style="list-style-type: none"> Lower potential for abuse/misuse <ul style="list-style-type: none"> Lower drug loading Less residual drug in patch 	\$3.6bn global fentanyl patch market
Memantine &/or donepezil¹	Treatment of dementia in Alzheimer's disease (AD)	<ul style="list-style-type: none"> Improved compliance – 7-day patch versus daily tablets or capsules 	\$14.8bn (2026) for AD

¹ Pending outcome of Innovate UK grant application

Sources: BioPharmaVantage Report, July 2017; Transdermal Drug Patches to 2024, Greystone Research Associates; 'Global Transdermal Patch Market & Clinical Pipeline Outlook 2022', Research and markets, 2017

Ibuprofen TEPI® Patch – Most advanced programme

Product

- Flexible thin patch (12 x 8.5 cm) containing 200 mg ibuprofen for release over 24 hours

Indication

- Symptomatic treatment of local pain in acute muscular strains, or sprains in benign traumas

Dose

- 1 patch/day for up to 5 days

Status

- Programme agreed with MHRA (UK) & BfArM (Germany)
- Medical grade adhesive supplied by Bostik
- Patches manufactured to GMP by AdhexPharma
- Phase I studies ongoing - no drug-related SAEs to date
- Re-engaging with potential licensees

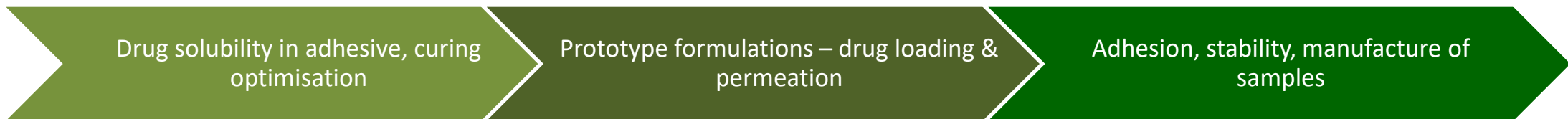


GMP = Good Manufacturing Practice; SAE = serious adverse event

Collaborative development of TEPI® Patch products

Partner	Indication	Market size estimates	Status
Japanese pharma	Hormone replacement therapy	\$1.3bn (2025)	Patches undergoing testing by partner
Roskamp Institute (US)	Alzheimer's disease – repurposed drug	\$14.8bn (2026) for Alzheimer's Disease	Collaboration agreement in negotiation
Major multi-national	Up to six drugs for a range of indications	Large	Advanced discussions and due diligence
Chinese pharma	Three drugs for CNS disorders	Large (> \$6.5bn)	Under negotiation

Collaboration starts with a feasibility study to show that a TEPI patch that meets the TPP can be formulated

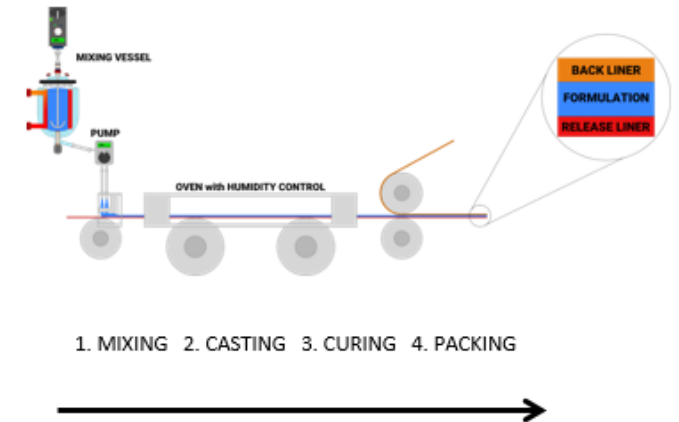


Medherant can develop a robust manufacturing process for patches and arrange non-clinical studies

TPP = Target Patch Profile

TEPI® Patch manufacture

- Very simple manufacturing process – solvents not used
 - Adhesive, drug and excipients mixed and cast
 - Curing (cross-linking) of adhesive achieved using water vapour
- Ibuprofen TEPI Patch process scaled-up & optimised at AdhexPharma¹
 - Patches made to GMP for Phase I clinical trials & scale-up ongoing
 - AdhexPharma has been inspected by FDA & French agency
- Medherant has similar equipment to AdhexPharma
 - Manufacturing process developed in-house
 - Facilitates process transfer & aids trouble-shooting
 - Patches produced in-house for initial non-clinical & stability studies



¹ Contract Manufacturing Organisation (CMO) located in France which specialises in patch manufacture
GMP = Good Manufacturing Practice; FDA = Food & Drug Administration

Experienced management team



Nigel Davis, CEO
Research, BD & commercialisation roles at Glaxo, PharmaVentures, Innovir & biotech start-ups



Ken Cunningham, Chairman
Chair of Abzena, NED Verona Pharma, ex-SkyePharma, Arakis & Alza



David Haddleton, CSO
Professor at University of Warwick, ex-ICI, Founder Warwick Effect Polymers & Founder Medherant



Sally Waterman, COO
Corporate development, operational and R&D roles at Abzena, Protherics, KS Biomedix & Vernalis



James Robson, CFO
Commercial, financial & operational experience, ex-Shionogi, Alliance Boots (Norway) & Reckitt Benckiser



Andrew Lee, Director of Commercial Development
Business roles at Warwick Ventures, Plant Bioscience Ltd & GfK Bridgehead



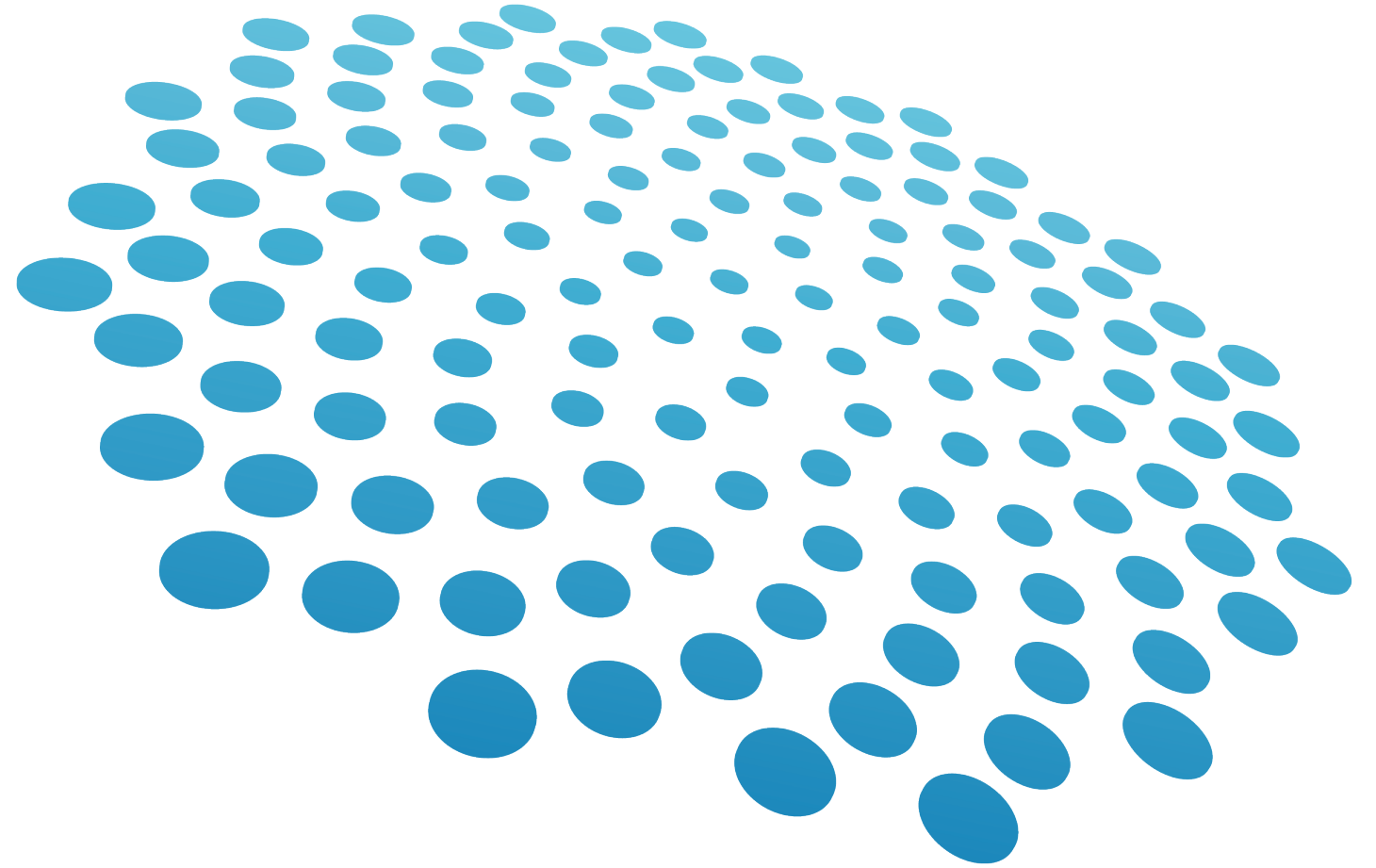
MEDHERANT

Summary

- Building a sustainable business with two potential sources of licence revenue (milestones &/or royalties)
 - First licence expected 2019
- Developing five TEPI Patch products for pain and CNS diseases to licence for commercialization
 - Ibuprofen TEPI Patch in Phase I, MAA due to be filed 2020 following completion of a Phase III study
 - Formulation development and optimisation ongoing for other products
 - Clinical bioequivalence studies¹ to be undertaken in 2020 – first value inflection point
 - MAAs/NDAs expected to be filed 2021-2022
- Formulating TEPI Patch products for companies (for a fee) who will licence the TEPI technology
 - Formulation feasibility studies undertaken quickly using proprietary high-throughput system
 - Patch formulations optimised – patches manufactured in-house and provided to 3rd party to test
- Series A finance to be sought in 2019

MAA = marketing authorisation application (EU); NDA = New Drug Application (NDA)

¹To demonstrate equivalent dose is delivered to the reference marketed product





**OXFORD
GENETICS**
BIOLOGY ENGINEERED

Pioneering Transformative Technologies to Realise the Biologics Revolution

Ryan Cawood, CEO and Founder





**OXFORD
GENETICS**
BIOLOGY ENGINEERED

Agenda

- > About The Market
- > About Oxford Genetics
- > Technology Overview
- > Delivering The Vision

Biologics are the Future Medicines

- > Medication market is \$1.2 trillion
- > Medicines are changing, increasing in complexity, harder to discover and harder to manufacture
- > Most medicines in the future will be biologics
- > Major growth expected in **gene therapy, cell therapy, and protein based therapeutics**



Major Success, but Major Challenges



Major Successes

ADA-SCID for Immunodeficiency

CAR T for Cancer

Check Point Inhibitors for Cancer

Liver Gene Therapy for Haemophilia

Antibodies for Cancer and Immune Diseases



Major Challenges

Discovery

Difficult to Identify New Biologics

Design

Highly Complex to Design and Develop

Production

Inefficiently Manufactured



Oxford Genetics
Technologies and Custom
Solutions



**OXFORD
GENETICS**
BIOLOGY ENGINEERED

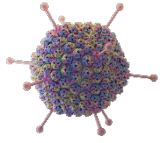
About Oxford Genetics

Company Background

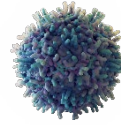
- > Founded in 2011
- > US subsidiary founded 2017
- > 70 employees
- > Built on proprietary genomics DNA 'molecular Lego' platform
- > Custom solution and downstream licensing model
- > Based in Oxford Science Park, 13,000 sq. Ft. facility

Three Main Treatment Types > Three Main Business Divisions

Gene Therapies



Cell Therapies



Antibody Therapies



Oxford Genetics Platform Technologies



Viral Therapeutics Division



Division Specific Technologies

Division Objective:

Dominate the market for scalable manufacturing systems for gene therapy



Gene Editing Division



Division Specific Technologies

Division Objective:

Be the market leader for CRISPR Cell Engineering through automation



Protein Therapeutics Division



Division Specific Technologies

Division Objective:

Revolutionise antibody discovery proprietary discovery technologies

Technology USPs

- > Highest yielding gene therapy production systems on the market

- > Only global provider of packaging cell lines and producer cell line services








- > World leading capacity for efficient CRISPR gene editing through automated platforms

- > Highest quality CRISPR libraries on the market

- > Next generation antibody discovery systems using mammalian cells

- > Strong focus on automation for higher efficiency and improved margin

Board and Management

						
Dr Ryan Cawood Chief Executive Officer	Dr David Hames Non-Exec. Chairman	Dr Matt Baker Non-Executive Director	Prof Len Seymour Non-Exec. Director	Mr Martin Hall Chief Financial Officer	Dr Mark Payton Non-Exec. Director	Dr Tom Payne Chief Scientific Officer
Key Details: <ul style="list-style-type: none">• Oxford DPhil in Oncology and Virology• Founded Oxford Genetics in 2011• Inventor on all existing patented technologies	Key Details: <ul style="list-style-type: none">• PhD in Biochemistry• over 90 research publications• founded three companies including Science Warehouse Ltd	Key Details: <ul style="list-style-type: none">• PhD in cellular immunology• Founded and sold Antitope• Previously CSO of Abzena	Key Details: <ul style="list-style-type: none">• Oxford Professor for Gene Therapies• Founder of Hybrid Biosystems (later PsiOxus Therapeutics)• over 200 scientific papers.	Key Details: <ul style="list-style-type: none">• Specialises in leading technology companies through periods of rapid growth.• Previously CFO of Allinea Software and Sophos	Key Details: <ul style="list-style-type: none">• No introduction necessary 😊• Founded Mercia Technologies• PhD from Oxford in Biology	Key Details: <ul style="list-style-type: none">• PhD in cell and strain engineering• Joined from Lonza to head up cell line development

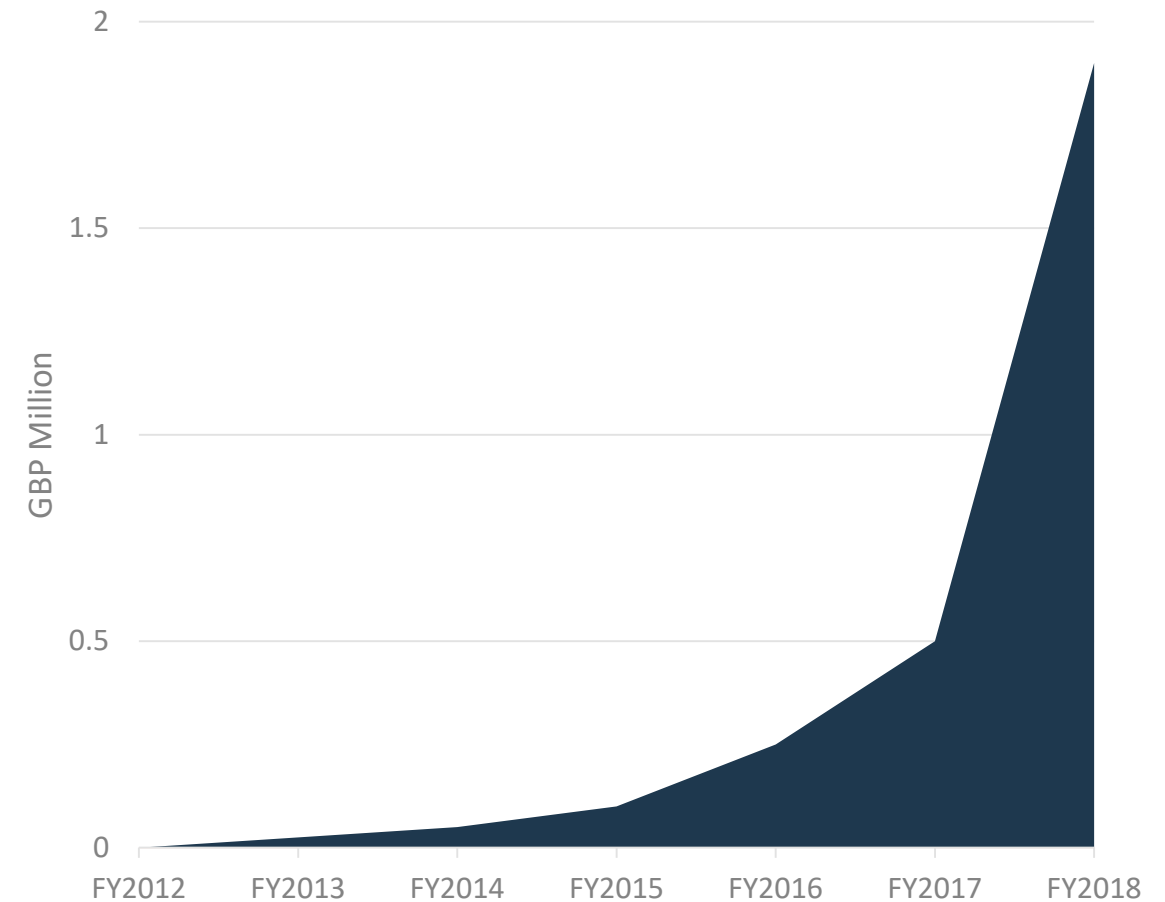
2018 Progress

- > 3 year CRISPR gene editing contract began in August 2018. Minimum revenue \$8M over 3 years – potential >\$19.5M
- > 7 license agreements signed for existing technologies
- > 11 new licensable technologies and custom service solutions to be launched by April 2019
- > Focus on high value service agreements and licensing deals
- > Current discussions with >20 other parties regarding technology licensing agreements



R&D Grant Funding

- > Investment in innovative R&D is essential to maintain a market leading position
- > more than doubled grant income year-on-year for 6 consecutive years
- > Current running grants total: £1.9M
- > Signed collaborative deal with MeiraGTx for AAV technology development

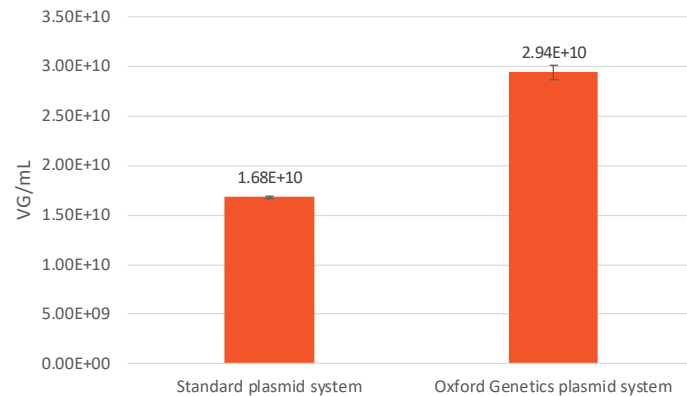


Technology Overview 1

Building a Gene Therapy Manufacturing Tool Kit

Through the technologies we have established, Oxford Genetics is ideally positioned to capture short and long term revenue by providing manufacturing systems that can follow a clients clinical success

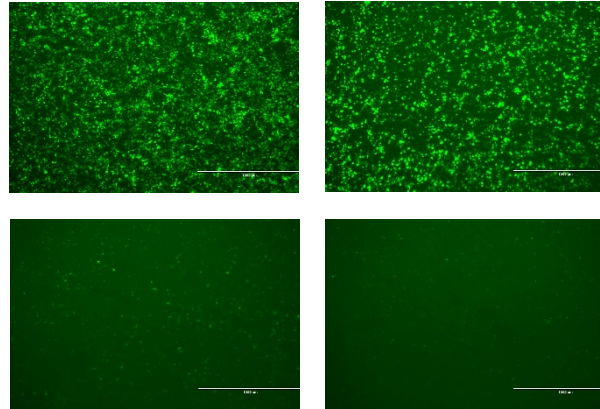
Non-stable Production



Already signed multiple licenses with many more in late stage discussion

*6 patents pending and more in construction

Semi-stable Production



Licenses available following service. **Signing two new clients at present**

Fully stable Production



First fully stable cell line development will **begin Q4 2018**

Technology Overview 2

Automated CRISPR Robotics

- > Developed in house. Scales a very manual part of our workflow
- > Each automated platform can deliver approx. 400-500 cell lines per year
- > Equates to approximately £4-5M in revenue per platform at full capacity, currently establishing the 3rd system
- > Provides unrivalled capacity and capabilities compared to competitors manual approaches



Delivering Our Vision

01

Maximise Margins and Profitability

Fully automate OG primary custom solutions

02

Increase Capacity for Large High Value Projects

Establish bioreactor capabilities for viral and antibody production

03

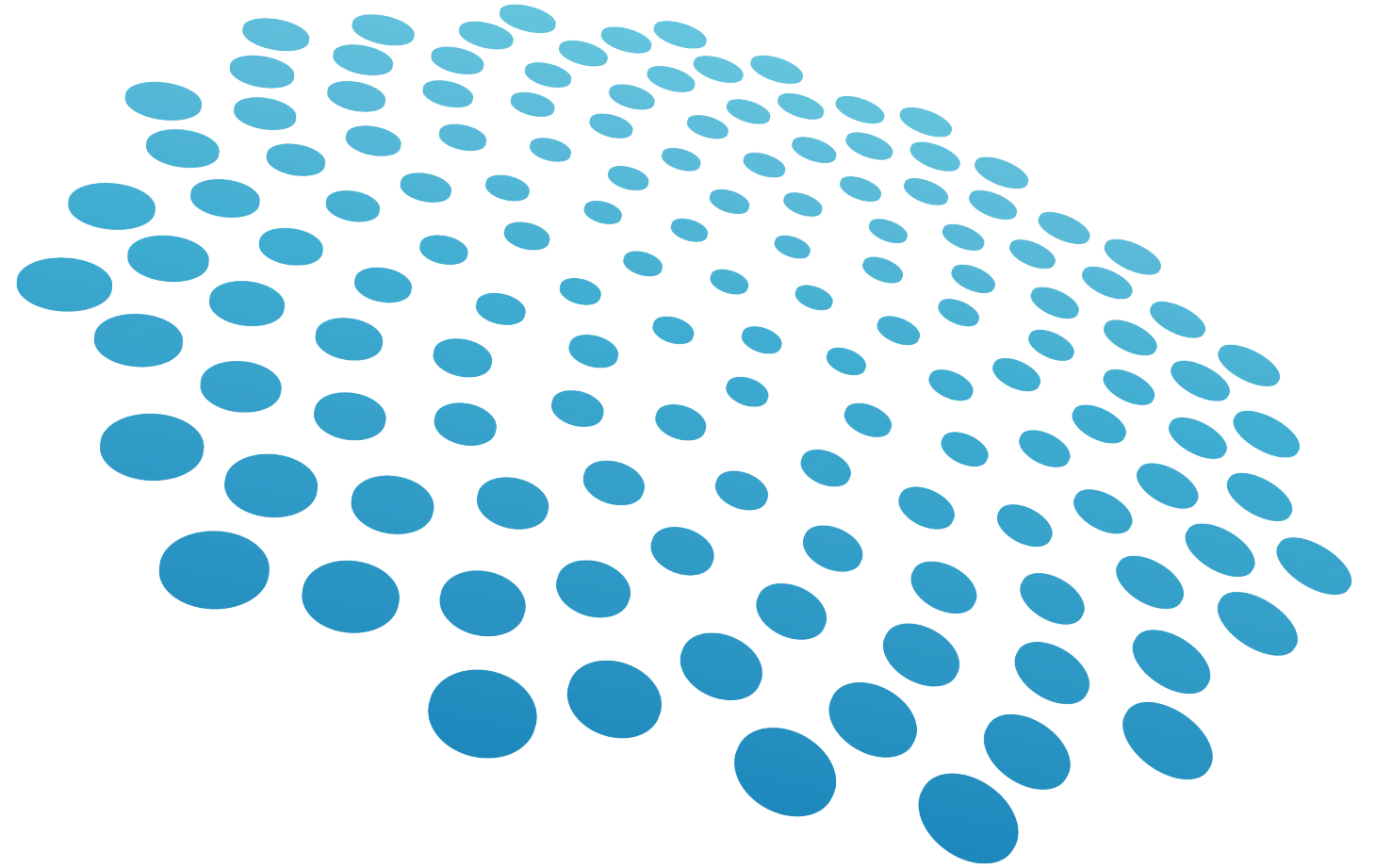
Achieve a Market-leading Position

Expand our world-class marketing team to achieve market dominance

04

Ramp US Sales to Deliver >40% Revenue by 2022

Expand the US commercial operations to capture this major market





INTERACTIVE. IMMERSIVE. INCREDIBLE. VR.

Patrick O'Luanaigh | CEO



OUR PAST

The journey so far...



An office desk setup. A blue office chair is positioned in front of a desk. On the desk, there is a laptop, a desktop monitor, a printer, and some papers. A window with horizontal blinds is behind the desk. To the left of the window, there is a calendar on the wall. A radiator is visible under the window. In the foreground, there is a small table with a mug and some papers. The text "In the beginning..." is overlaid on the image.

In the beginning...



PlayStation®
Home

lewis hamilton: secret life





VR titles released so far



Winner, Most Original Game

TIGA Awards 2017

“It blew my mind. There is no other way to say it.”

Kotaku



5/5
Darkstation

9/10
Gaming Nexus

9/10
SquareXD

8.5/5
PC Aficionado

4.5/5
The VR Base

8/10
Playstation Lifestyle

8/10
Game Reactor

Hand-picked VR Talent

Award-Winning
Studios



Leaders
in New Tech



Creators of
Top Selling VR



Entrusted with
Global IP



A person is shown from the waist up, wearing a VR headset with "IMAX VR" on the front and holding two VR controllers. They are in a dark room with warm, orange lighting. In the background, a large screen displays a VR scene. The text "OUR PRESENT" is overlaid in white serif font.

OUR PRESENT

Growing revenues and rapid growth



Relationships and clients

PlayStation®VR



oculus

Google



Microsoft



VIVE

STARBREEZE

S T A R V R

IMAX® VR

Samsung

DELL



OSVR

acer



Microsoft
HoloLens

AMD



nVIDIA



UNREAL
ENGINE



unity



“Shooty Fruity is high-quality VR
gaming at its best”

PC Aficionado



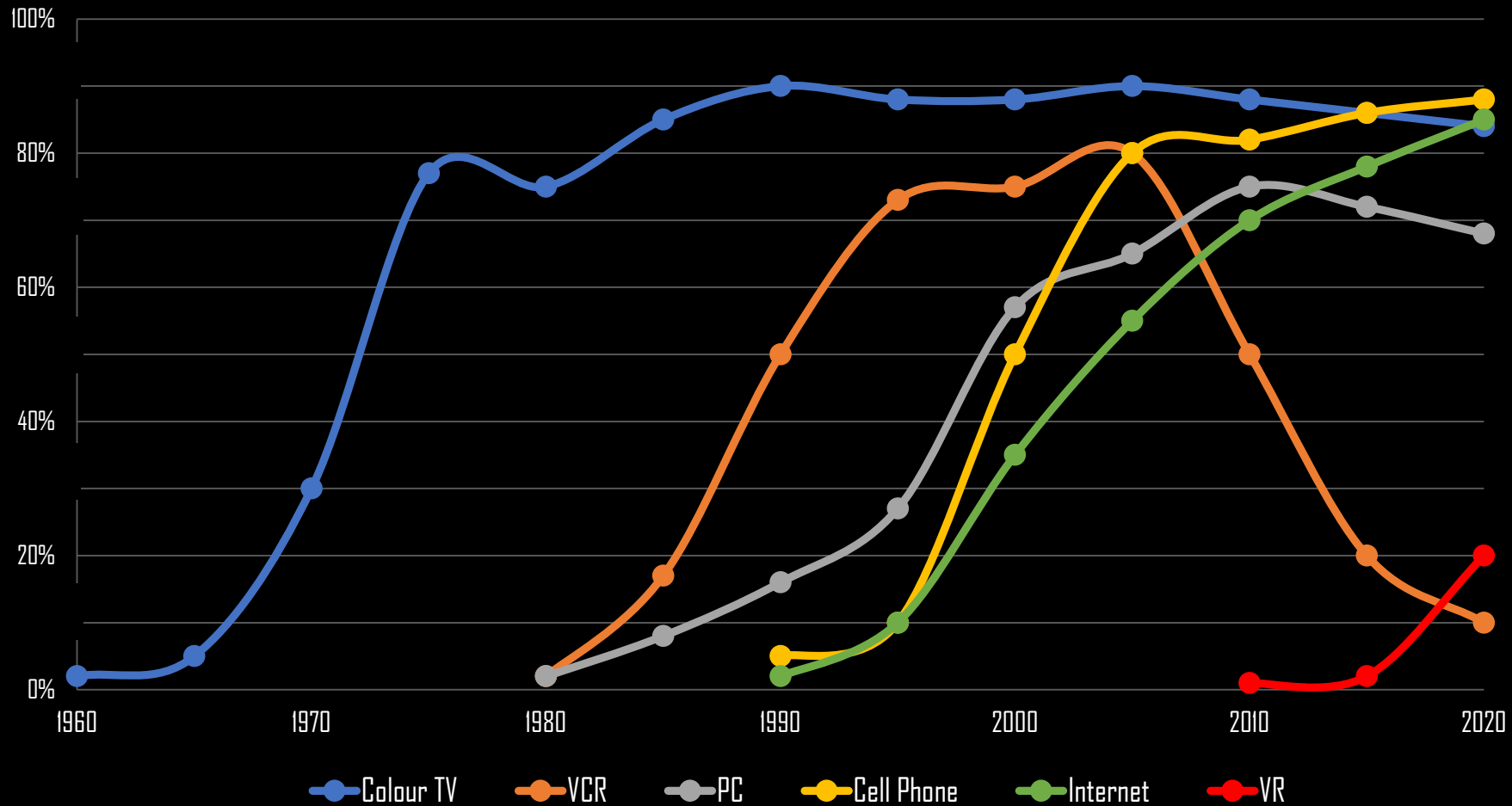


The background of the image is a wall densely decorated with numerous framed photographs. These photos depict various individuals engaged in virtual and augmented reality experiences. Some are wearing VR headsets, while others are using hand-held AR devices. The frames vary in style, from simple white borders to more ornate, decorative ones. The entire scene is bathed in a warm, orange-brown light, creating a nostalgic or archival feel. A white triangular graphic element is visible in the top-left corner, and another is in the bottom-right corner.

OUR FUTURE

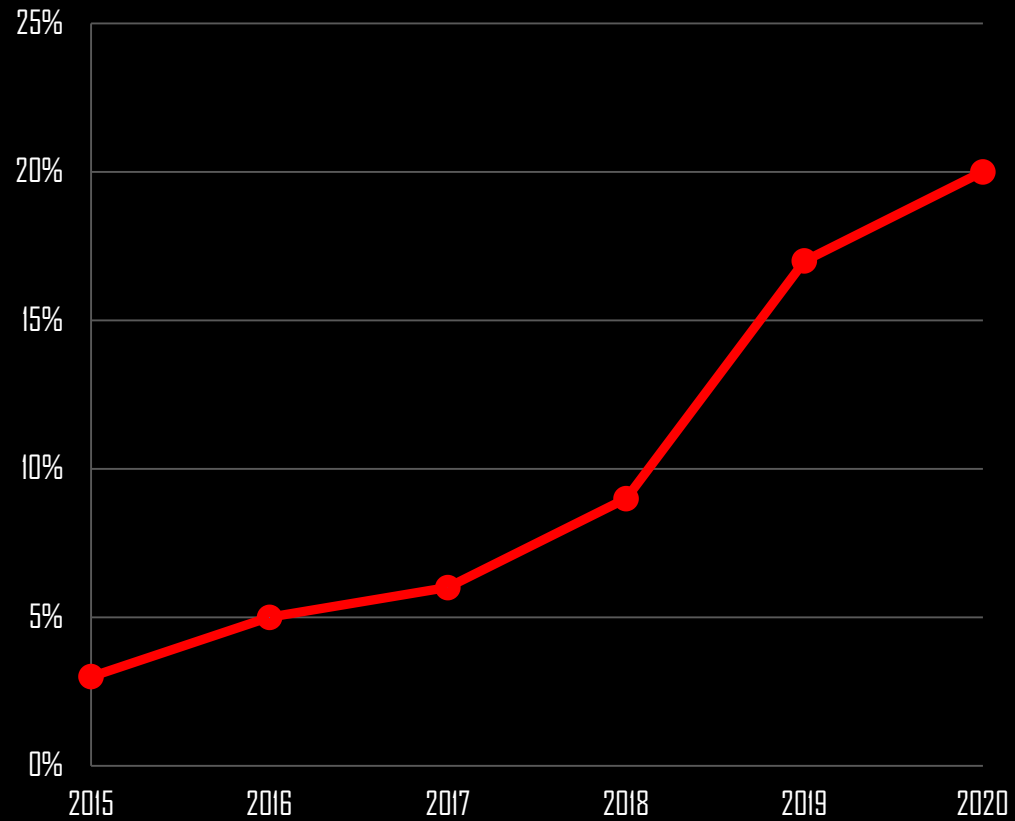
Heading towards the AR/VR hockey stick

VR adoption vs. other technologies (Share of U.S. households 1960-2020)



Data: Superdata 2018 (VRX)

VR adoption vs. other technologies (Share of U.S. households 1960-2020)



Includes Google Cardboard-based devices.

Sources: Michael Fallon, The New York Times, Pew Research Centre, Gallup, U.S. Census, SuperData Research

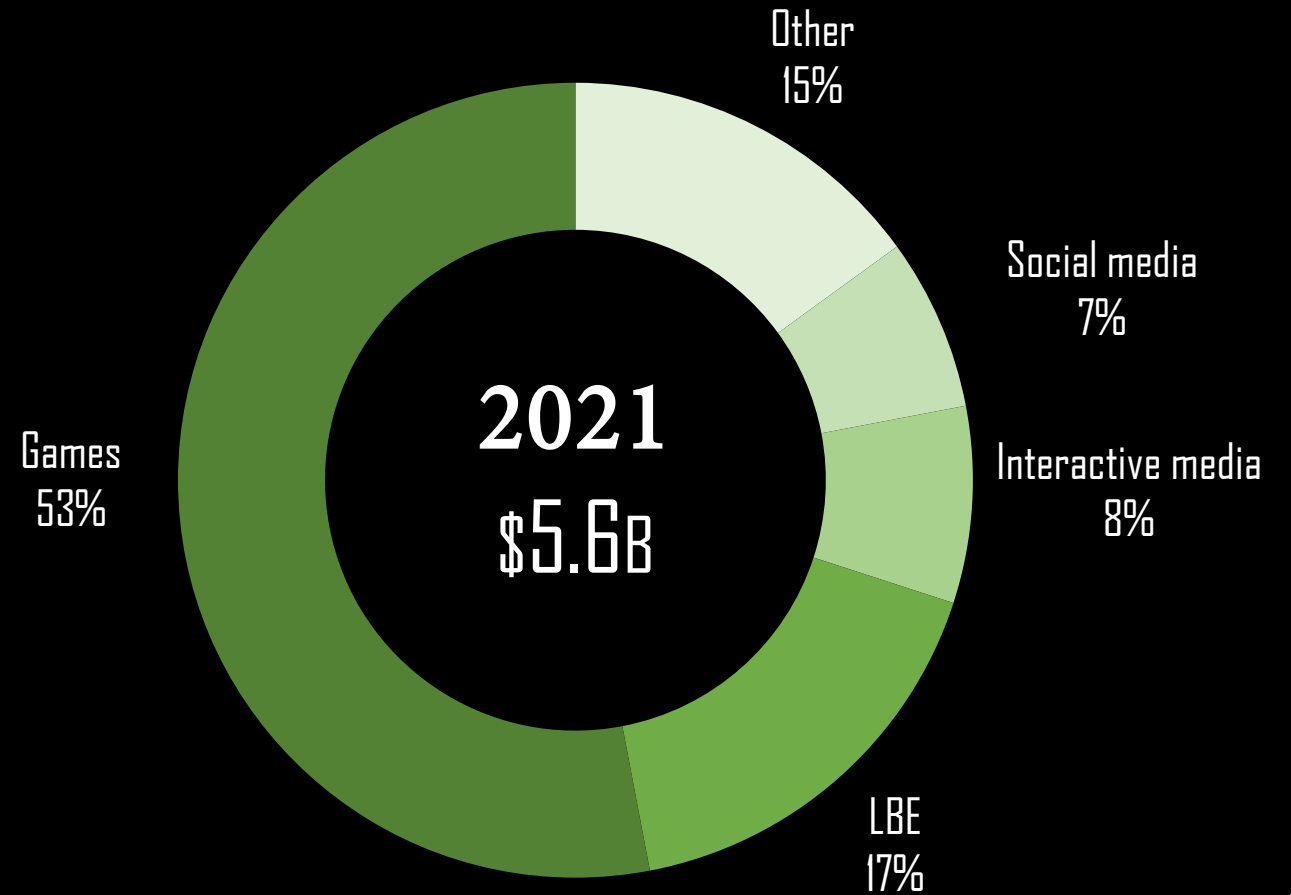
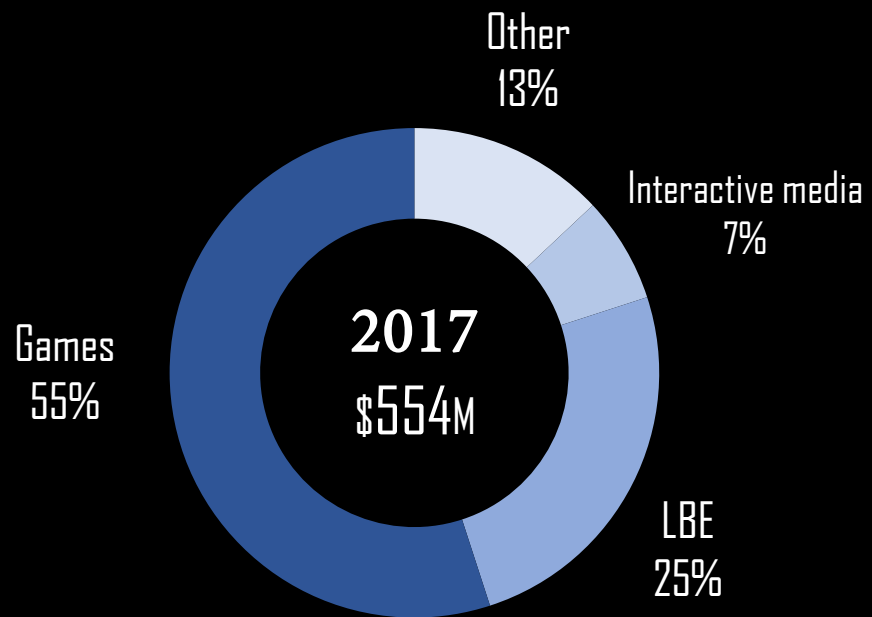


Oculus Quest

SPRING 2019

\$399

The Virtual Market: Consumer software revenue 2017-2021 (worldwide)



nDreams revenue growth

> 50%
CAGR

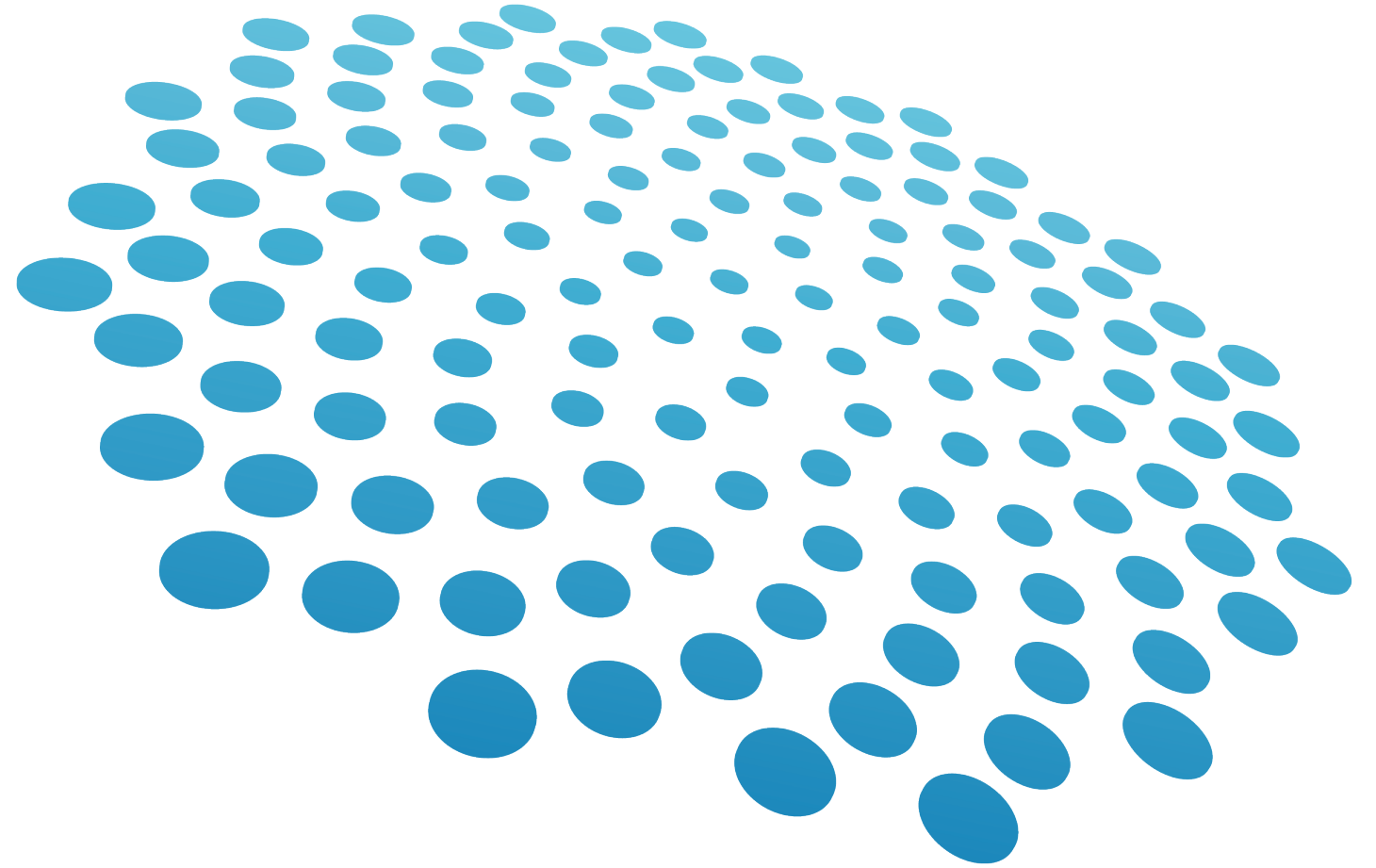
Our goals

1. Top 3 VR developers in the world
2. Quality is everything
3. Revenue growth and profitability
4. Build and own strong, valuable IPs
5. Strengthen key relationships
6. All funded deals are strategic



INTERACTIVE. IMMERSIVE. INCREDIBLE. VR.

Patrick O'Luanaigh | CEO





NAV growth

Business built, now strong focus on accelerated growth in the value of direct investments



Minimisation of cash erosion

Increasing revenue and reducing net expenses



Leverage partnerships and business model

In last 12 months:


- ~2000 plans received (~5% invested through FuM)
- > 190 venture businesses in FuM (growing at 20-30 pa)
- 3 (2% of venture portfolio) new Emerging Stars



Realise value

Cash returns through trade sales and IPOs



 0330 223 1430

 info@merciatech.co.uk

 www.merciatech.co.uk