



Q1 2022 Newsletter



Message from the CEO and Executive Chairman

Dear NetScientific PLC Shareholders and Stakeholders,

In advance of the annual report which will be published at the beginning of April, we would like to provide you with a brief update.

Management remains confident in the Company's long-term prospects despite the ongoing broader market challenges. The last few months have seen significant turmoil in the public markets in the UK and globally. As with other biotech and tech focused stocks, our share price has been adversely impacted. This market volatility has now been further exacerbated with recent events in Ukraine. Nevertheless, we believe that the NetScientific model continues to provide scope for increased returns.

NetScientific PLC is continuing to progress well in accordance with its stated strategy through targeted and judicious investments, and pro-active management of our portfolio companies. We believe the company is significantly undervalued, and that the fundamentals

and prospects of the Group remain strong. Our portfolio investments in the Healthcare, Sustainability and Technology sectors are addressing societal and market needs that will still be there as market volatility subsides. Our proactive portfolio company investment and management strategy also helps us take decisive actions in difficult circumstances, to protect shareholder value.

Analysis by WH Ireland's researchers covering NetScientific have confirmed sum-of-the-parts estimates of 185p, compared to a market price of 60-70p as of at the time of writing. The continued advances in our portfolio can be seen through the RNS and RNS Reach announcements released since the half-year report announcement in September. We summarise some of the key developments below:

- NASDAQ-listed **PDS Biotechnology** (in which we have a 4.72% stake) has continued its progress with world-leading organisations in three Phase 2 trials with Merck, National Cancer Institute and MD Anderson, while also announcing a new programme with Mayo Clinic, and developments in the infectious disease vaccine programmes. While its price has experienced a significant decline (currently trading in the \$5.50-7.00 range), analysts covering the stock from US investment banks Cantor Fitzgerald Oppenheimer, H.C. Wainwright and Alliance Global Partners have maintained a target price of \$15-\$25.
- **ProAxis** has continued to make significant progress; leveraging grant funding to grow its offering with five new products, development of the AZ anti-body programme and expanding its markets.
- We made a further investment in **EpiBone**, as part of an \$11m CLA including various US backers as they progress their Phase 1 trials. EpiBone is a successful NY-based growth company providing much needed regenerative bone and cartilage treatments.
- We took a strategic stake at an advantageous price in **Q-Bot**, an award-winning UK robotics service company, who is growing rapidly within the retrofit and energy saving sector, with a focus on value growth and route value realisation.
- NetScientific also took a 75% stake at **Cetromed**, a life-sciences holding company with interests in technologies and spinouts of University of Leuven. This investment was at minimal cash and balance sheet cost, utilising £150k of paper, plus warrants for the transaction.
- **Sofant**, a satellite and 5G antenna developer spun-out of Edinburgh University, announced the closing of a €7.3m European Space Agency Contract, of which c.50% is non-dilutive grant funding. The funding will be used to progress the commercialisation of its low-cost, low-power satellite communications platform with industry partners. Sofant's satellite antenna technology will provide access to low-latency, super-fast satellite broadband networks. EMV Capital had earlier in the year advised on a £843k Convertible loan, with participation by the British Business Bank, NetScientific and EMV Capital investors.
- **SageTech Medical** has continued to make progress on its commercialisation strategy and has recently completed a c.£1m fundraise (including £100k participation by NetScientific and investors advised by EMV Capital). This will support further development and launch of the anaesthetic gas capturing and recycling system in its target sectors.

Part of our strategy is to deepen relationships with trusted deal sources in world-leading innovation centres. NetScientific's corporate finance subsidiary EMV Capital led a first close of a £12.0m investment into Cambridge-based Martlet Capital, alongside leading private office Saranac Partners. Here EMV Capital's syndication model provided not only a profitable deal, but also a footprint in the Cambridge high-tech cluster, with the option to pick and choose the most attractive investment opportunities that fit with our strategy.

Our stated strategy is to invest in, develop, commercialise and realise shareholder value in life sciences/healthcare, sustainability and technology companies, which offer significant growth potential, predominantly in the UK and USA as well as globally. The Group leverages trans-Atlantic relationships and global opportunities to deliver returns.

Within our broader portfolio we apply our judicious investment approach to selectively build stakes in companies, using our influence and pro-active management to drive for growth in value, then realisation of significant investment returns from both direct and advised holdings. The good progress with our portfolio in 2021 makes us well placed to further develop our chosen cohort of portfolio companies, to increase value and map out routes to exit/liquidity events.



Dr Ilian Iliev, CEO



John Clarkson, Executive Chairman

Full details of our RNS and RNS Reach are available on our website at:



Below you can find selected RNS' relating to the portfolio transactions and developments referenced above, links to video interviews and presentations, and research on NetScientific PLC.


ANALYST AND MEDIA COVERAGE

NetScientific PLC is currently covered by:

WH Ireland Capital Markets. 

Proactive Investors. 

Investors Chronicle. 

Private Punter - Martin Flitton. 

You can find the latest research on NetScientific's website: 

RNS NEWS HIGHLIGHTS FOR Q4 2021, and JAN/FEB 2022

You can find the latest RNS News on NetScientific's website: 

Company Updates – selected RNS and RNS Reach notifications




PDS Biotechnology (NASDAQ: PDSB) is a clinical-stage immunotherapy company with a growing pipeline of cancer immunotherapies and infectious disease vaccines based on the Company's proprietary Versamune® T-cell activating technology platform. PDS Biotech has engineered multiple therapies, based on combinations of Versamune® and disease-specific antigens, designed to train the immune system to better recognize disease cells and effectively attack and destroy them.

<http://www.pdsbiotech.com>

Feb 24, 2022: PDS Biotech Announces Preliminary Safety Data on PDS0101 with Merck (RNS Reach). 

Feb 15, 2022: PDS announces clinical with Mayo Clinic. (RNS Reach). 

Feb 2, 2022: PDS Phase 2 Update (RNS Reach). 

Jan 28, 2022: PDS Biotech announces preclinical data for PDS0202 Universal Influenza vaccine (RNS Reach). 

Jan 10, 2022: PDS granted patent for its novel HPV16-immunotherapy. (RNS Reach). 

Nov 10, 2021: PDS Biotech reports Q3 2021 Results and Business Update (RNS) 

Nov 1, 2021: PDS to license novel Proteins for Flu Vaccine (RNS). 

Oct 5, 2021: PDS Phase 2 Clinical Trial Update. (RNS Reach): 



ProAxis is a medical diagnostics company that is developing a range of products for the capture, detection, and measurement of active protease biomarkers of diseases. ProAxis is now a fully-owned subsidiary of NetScientific. The rapid and easy-to-use tests developed by the company incorporate patented ProteaseTags®; smart molecules which trap an active protease within a complex biological sample and enable a visual readout of its presence. The initial applications for the technology are focused on managing chronic respiratory diseases, Cystic Fibrosis (CF), and Chronic Obstructive Pulmonary Disease (COPD), where exacerbations have a major impact on the long-term prognosis of patients. <http://www.proaxis.com>

Jan 10, 2022: ProAxis CEO End of Year Update. (RNS Reach). 

Oct 22, 2021: ProAxis announces the approval of a key UK patent (RNS Reach). 

Jun 7, 2021: ProAxis signs global in-licensing agreement with AstraZeneca for COVID-19 serology test. (RNS). 



EpiBone is privately-held regenerative medicine company focused on skeletal reconstruction. Sitting at the intersection of biology and engineering, the company harnesses the power of a patient's own cells to create living solutions that become a seamless part of a patient's body. EpiBone is currently developing a pipeline of bone, cartilage, and compound (bone and cartilage) products. <http://www.epibone.com>

Nov 26, 2021: \$1million investment in portfolio company EpiBone (RNS Reach). 



Q-Bot Ltd: Q-Bot Ltd's solutions enable the delivery of innovative new services for the inspection, maintenance and upgrade of buildings which empower workers, improve safety, are cost-effective, and efficient. Q-Bot is revolutionising the industry by connecting the built environment with robotics and AI, to rethink processes that have remained unchanged for hundreds of years. <http://www.q-bot.co>

Dec 21, 2021: Q-Bot Investment & Share Acquisition. NetScientific takes 19% share (RNS). 



Martlet

Martlet Capital is an early-stage investor based in Cambridge, which has invested in more than 60 start-ups with high growth potential, since its launch in 2011. Martlet Capital provides patient capital for IP rich, early-stage B2B start-ups, with a primary focus on deep technology and life science companies based in Cambridge. <http://www.martletcap.com>


Dec 13, 2021: Martlet Capital Update: EMV Capital syndicates additional £0.73m investment. (RNS). 

Sept 16, 2021: NetScientific invests in Martlet Capital (RNS). 



Sofant Technologies: Sofant's patented smart antenna technology enables the steering of radio signals in future wireless systems in the 5G and SatCom space. Sofant's product uses RF MEMS (radio-frequency micro-electromechanical system) which steers the signal passively reducing power consumption by more than 70% when compared to conventional semiconductor technology. <http://www.sofant.com>

Nov 4, 2021: Sofant Signs €7.3m European Space Agency Contract (RNS). 

Oct 26, 2021: EMV Capital participates in £843k funding for 5G and satellite phased array antenna designer Sofant Technologies. (RNS). 

NETSCIENTIFIC LEVERAGES TRANS-ATLANTIC BRIDGES



NetScientific is always looking to create shareholder value in life sciences/healthcare, sustainability and technology companies in the UK, USA and Europe, and invests, develops and commercializes new companies in these markets. By leveraging trans-Atlantic relationships and global opportunities, the Group endeavours to maximize shareholder returns through focused execution of its investment strategy with current portfolio companies, and targeted investments in existing and new investments.

NetScientific's Executive Chairman, John Clarkson met with the Lieutenant Governor of Maryland, Boyd Rutherford on the 18th November at our offices at Level 39, Canary Wharf in London, to discuss potential business opportunities in Maryland for NetScientific.

AWARDS

NetScientific's subsidiary, **EMV Capital** has been nominated as Finalist and Runner-up in several National Awards. These include the:

- **Growth Investor Awards 2021** (growthinvestorawards.com/), where our subsidiary was awarded the title of “Finalist and “The One to Watch” for the Most Impactful Investment category;
- **Best ESG Investment Fund Award 2022** (<https://www.esginvesting.co.uk/awards/>) - Finalist for Impact
- **Health Investor Awards 2022 - Finalist** for the Category: **Private Equity** (<https://healthinvestor.co.uk/healthinvestor-awards/>)



INTERVIEWS AND PRESENTATIONS

NetScientific “on the air”: Interviews and presentations



10th Nov: NetScientific: 'A diverse portfolio of investments, which has shown strong recent progress.'



26th Oct 2021: Interview with Dr Ilian Iliev, CEO of NetScientific, and Journalist Katie Pilbeam. NetScientific invests in Edinburgh-based radio technology firm as industry begins to 'crystallise'



29th Sept, 2021: Katie Pilbeam interviews Dr Ilian Iliev, CEO of NetScientific
NetScientific says results mark 'end of turnaround period, which has been successful'

Other interviews and presentations are available on the website: Click: 

If you would like to sign up to receive the NetScientific digital newsletter on a regular basis, please send an email to: newsletter@netscientific.net

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Our mailing address is:
newsletter@netscientific.net

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