

ALLIED MINDS



FY 2018 Results

Maximising value capture from the portfolio

26 April 2019

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Key messages - maximising value capture

- Significant operational and funding progress at tech companies – set up for success
- Successful funding rounds, validated by blue-chip strategic investors
 - Many also commercial partners – driving substantial commercial advantages and acceleration
- Consequently, Spin, HawkEye360, Federated Wireless expected to generate first commercial revenue in 2019, with attractive growth trajectories into large markets
- Promising portfolio of earlier stage tech companies
- Imperative to capture maximum value for our shareholders from promising assets
- Driving changes to strategy to create runway and preserve optionality to time exits consistent with optimal point in revenue build
 - Capital focused on existing portfolio (no investments into new companies)
 - Further HQ cash opex cut to range of \$5 to \$6 million (\$13.6m FY 2018)
- Key shareholders consulted on changes to strategy and have expressed support
- Ceasing OAV disclosure

Strategy update

Rationale: support existing portfolio and preserve optionality to realize maximum returns for shareholders

Focus on existing portfolio (no investments into new companies)

- \$50.6m PLC cash
- Flexibility to participate, as appropriate, in substantial pending follow on rounds











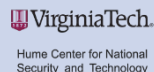















HQ cash opex reduction

- Targeting \$5 – 6m per annum (\$13.6m FY 2018)
- Unlocked by focus on existing portfolio only, reduced shared services with deconsolidation
- Minimum headcount

Managed monetisation process over time for maximum value capture

- Cash runway to optimize when and how to monetise – 3-4 years
 - Meaningful opportunities expected to emerge once revenue ramps after commercialisation
 - Enable early stage to reach inflection points for monetization

Portfolio – significant ownership, large markets

Company	Year formed ⁽¹⁾	ALM % ⁽²⁾	Source	Selected strategic investors	Addressable market
 BRIDGE SAT, INC.	2014	81%	 MITRE	 BOEING  SPACE ANGELS NETWORK	>\$1.5bn (LEO) + GEO + aviation
 federated wireless	2012	52%	 VirginiaTech. Hume Center for National Security and Technology	 ARRIS  Charter  AMERICAN TOWER	\$ multi-billion
 HawkEye ³⁶⁰	2015	48%	 VirginiaTech. Hume Center for National Security and Technology	 Raytheon  Sumitomo Corporation of Americas  RAZOR'S EDGE	MDA = \$2.4bn (1 st target market)
 SPIN MEMORY™	2008	43%	 NYU	 ARM  APPLIED MATERIALS	NVM + SRAM + (M)DRAM = >\$20bn
 Orbital Sidekick	2018	Subst. min.	Entrepreneurs	 11.2 CAPITAL	\$4bn+: Oil & gas infrastructure monitoring
 TableUp	2018	Subst. min.	Entrepreneurs	-	Restaurant supply chain
 QuayChain	2018	72%	Entrepreneurs	-	Industrial supply chain
 PRECISION BIOPSY AN ALLIED MINDS COMPANY	2008	65%	 University of Colorado Boulder	-	>\$4bn (US and EU)
 SciFluor LIFE SCIENCES AN ALLIED MINDS COMPANY	2010	70%		-	>\$8bn (injectables for retinal diseases)
Spark Insights	2018	71%	Entrepreneurs	-	\$7bn insurance analytics

(1) Year of Allied Minds' investment in the case of Orbital Sidekick and TableUp

(2) Issued and outstanding share capital

2018 milestones delivered

- ✓ \$52 million Series B round – led by Arm Limited, Applied Materials
- ✓ Licensing agreement with Arm Limited – embedded MRAM
- ✓ Commercial agreement with Applied Materials – turnkey MRAM solution
- ✓ Endurance Engine shown to increase endurance by up to 6 orders of magnitude, in line with DRAM
- ✓ Appointment of John Kispert as Chairman

2019 operating objectives

- Demonstrate superior performance of Spin technologies in silicone
- Leverage agreements with partners to bring technology into the mainstream
- Build strong backlog

Context / longer term objectives:

- NVM, SRAM (\$1bn market), MDRAM, DRAM (>\$20bn market)

2018 milestones delivered

- ✓ Application to FCC under Initial Commercial Deployment – 20 end-user partners across 16k sites nationwide
- ✓ Majority of ESC (sensor) roll out completed
- ✓ Contracts in place, inc.: MNO, Extenet, Zinwave, Airspan, Telrad, Cambium, Ruckus and Motorola
- ✓ CBRS handsets and other devices in the market (eg Samsung Galaxy S10, Google Pixel 3)
- ✓ Launch of cloud-native private network solution with AWS, Athonet and Ruckus

2019 operating objectives

- ICD approval, followed by FCC certification
- Complete build out of nationally available ESC network
- Build infrastructure and capacity to support scaling

Context / longer term objectives:

- 15.1m access point market by 2022
- High margin, recurring subscription revenue SaaS model

2018 milestones delivered

- ✓ \$14.9m Series A-3 round led by Raytheon and including Sumitomo
- ✓ Pathfinder successfully launched and commissioned – in line with spec
- ✓ Next satellite cluster ordered - launch scheduled late 2019
- ✓ RF Geo core product launched post period end
- ✓ Backlog build – government, commercial
- ✓ Beta testing complete for maritime domain awareness product

2019 operating objectives

- Core analytic products launched
- Complete development of next cluster and ready for launch
- Commence development of follow-on clusters 2-4, for launch in 2020, 2021

Context / longer term objectives:

- Commercial revenue will build with clusters
- Expected to operate with x10 clusters at full capacity

2018 milestones delivered

- ✓ \$10m series B – led by Boeing (+ partnership)
- ✓ NOC + first ground station operational
- ✓ Second ground station in place; further 3 under contract (plan for 10 at fully capacity)
- ✓ ICEYE and NICT (Japan) contracts + partnerships with Sitael and Es'HailSat
- ✓ 5 contracts with USG + Space Act agreement with NASA
- ✓ Advanced optical communications for future applications

2019 operating objectives

- Demonstrate end-to-end, one-to-many communications solutions
- Develop strategic partnership program with Boeing and others
- Expand capacity of global ground network
- Build strong commercial and government customer backlog

Context / longer term objectives:

- Only company building an optical ground network
- Target markets expanded to include GEO and aviation in addition to LEO

2018 milestones delivered

- ✓ Bob Dempsey appointed to Board
- ✓ Phase II trial design completed
- ✓ 6 month SF0166 tox study commenced
- ✓ \$4 million bridge financing (post period end)
 - Funding not yet secured. Equity story reset: focusing exclusively on SF0166; build ophthalmology platform
 - Valuation impaired

2019 operating objectives

- Secure external funding for SF0166 Phase II trial(s)
- Complete toxicology studies for SF0166
- Submit amended IND to US FDA

Context / longer term objectives:

- Existing injectable drugs for DME / Wet-AMD have aggregate sales >\$8 billion

2018 milestones delivered

- ✓ IND approval
- ✓ Initiated cohort B roll-in
- ✓ Adam Savakus appointed President and COO
- ✓ \$5 million bridge financing (post period end)
 - Delay to commencement of full pivotal SCORE study and CE Mark
 - Further product development required due to improvements to console; ready post period end
 - Valuation impaired



2019 operating objectives

- Complete Pivotal SCORE study
- Submit data to US FDA for 510k review
- Obtain CE mark


Context / longer term objectives:

- Pivotal SCORE study to unlock FDA approval
- 3D mapping product – gateway to focal therapy

Earlier stage portfolio

Subsidiary	2018 developments	2019 objectives
	<ul style="list-style-type: none"> ✓ ALM led \$3.5m seed round ✓ Successful deployment of hyperspectral system on ISS ✓ Agreement with Loft Orbital to deploy 2nd gen hyperspectral payload ✓ Phase I SIBR contract with US Airforce 	<ul style="list-style-type: none"> • Expand pilot programs - Spectral Intelligence™ for asset integrity and regulatory compliance monitoring
	<ul style="list-style-type: none"> ✓ Integrations with 70% of POS systems ✓ 2019 divisional lead goals set with key partners ✓ 36% CMGR in bookings since Series A financing 	<ul style="list-style-type: none"> • Expand referral partner network • Expand traction in enterprise market segment • Build integrations with additional key POS systems

Earlier stage portfolio

Subsidiary	2018 developments	2019 objectives
 QuayChain	<ul style="list-style-type: none">✓ Seeded in 2018✓ Installed small cell radios and successfully tested CBRS enabled devices / network✓ 4 pilot agreements	<ul style="list-style-type: none">• Test pilot network across multi-user industrial location - port• Design applications to ingest data and provide analytical support for supply chains
Spark Insights	<ul style="list-style-type: none">✓ Seeded in 2018✓ Leveraging advances in satellite imagery / weather data, + proprietary analytics to transform workflows for cat risk property insurers✓ \$7bn insurance analytics market	<ul style="list-style-type: none">• Develop initial product to improve processes in the property insurance industry• Engage with pilot customers• Build team to support data science, engineering, and business development activities in initial pilots



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Financial information

Valuation disclosure

Ceasing OAV disclosure

- Deconsolidation of subsidiaries requires different approach
 - Deconsolidated companies listed at fair value on statement of financial position per IFRS
 - Option Pricing Model used
- DCF methodology challenging for pre-revenue companies
- Unhelpful public benchmark for portfolio companies

New disclosure

- Current update on progress of business against key milestones
- Post money valuation at most recent funding round
- Named key co-investors
- ALM's ownership %
- Enables investors to come to their own view

Key financial metrics

Portfolio Investment

\$84.9M – Total
\$51.4M – From
co-investors

3 Subsidiaries
raised cash
externally
during 2018

HQ cash opex

\$13.6M in 2018

Reducing to
\$5M – \$6M by
2020

Cash

\$50.6M PLC
\$97.7M Group

Sufficient for
projected 3-4
year period

Summary- maximising value capture

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Appendix

Selected financial highlights

\$ millions

For the 12 months ended:	31 December 2018	31 December 2017
Revenue	\$5.6	\$5.0
Net profit (loss)	\$47.3	\$(111.1)
Investment in portfolio	\$84.9	\$81.1
Of which Allied Minds	\$33.5	\$46.0
Of which co-investors	\$51.4	\$35.1
As of:	31 December 2018	30 June 2018
Cash and deposits – group	\$97.7	\$132.2
Cash and deposits – parent	\$50.6	\$66.0



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Thank you