

09 February 2016

Allied Minds plc

Trading Statement

Allied Minds (LSE: ALM) (the "Company" or the "Group"), an innovative U.S. science and technology development and commercialisation company, today issued the following trading statement for the financial year ended 31 December 2015.

Chris Silva, CEO of Allied Minds, commented:

"In 2015 Allied Minds made positive progress across the Group. Our subsidiaries met, or exceeded, commercial milestones in nearly all instances. We have embarked on exciting collaborations with industry leaders such as Bristol-Myers Squibb, Intel, AMD and Google; raised material third-party funding to accelerate the development of two of our key subsidiaries; and seen the number of commercialisation phase subsidiaries double to six.

Our U.S. academic and federal partner network is continuing to flourish and has been highly productive over the year. We reviewed more than 5,000 new technologies and engaged with over 90 new research institutions, reflecting the growing recognition of the strengths of Allied Minds as a commercialisation partner. We continue to apply our rigorous selection and due diligence processes to these new technologies and are confident in the potential of our pipeline.

The range and depth of our achievements during 2015 has laid strong foundations for Allied Minds to continue to generate further value in 2016 and beyond."

Investment highlights

During 2015, \$102.8 million was invested into new and existing portfolio companies, including:

- Allied Minds led fundraisings of \$63.6 million, with \$42.2 million coming from third-party investment, to further accelerate the development of two of the Group's existing companies, SciFluor Life Sciences and Precision Biopsy;
 - SciFluor Life Sciences, a drug discovery company applying expertise in fluorine chemistry, raised \$30.0 million at a post money valuation of \$130.7 million, up from \$37.1 million, to accelerate its two lead compounds - a treatment for retinal diseases and a treatment for neurological diseases. These compounds are expected to result in three Investigational New Drug (IND) applications to the U.S. Federal Drug Administration (FDA) in the first half of 2016 and subsequent commencement of Phase I trials.
 - Precision Biopsy, a company developing early intervention technology that detects in real time suspicious tissue during biopsy examinations, raised \$33.6 million at a post money valuation of \$90.4 million, up from \$19.0 million, to accelerate the commercialisation of its ClariCore™ Biopsy System, and develop its Focal Therapy programme. The funds support the continuation of taking clinical core samples to optimize the tissue classification system and the initiation of FDA clinical trials.
- \$39.2 million was invested by the Group into new and other existing portfolio companies, including investments in four new businesses: BridgeSat, ABLIS I (Yale), HawkEye 360 and ABLIS II (Harvard).
- On 29 January 2016, Federated Wireless raised \$22.0 million at a post money valuation of \$82.0 million, up from \$10.0 million previously. The raise will enable it to complete its Spectrum Access System (SAS) and Environmental Sensor Capability (ESC) certification process, conclude the development and accelerate the commercialisation of its cloud-hosted CINQ platform, and

conduct field trials in the second half of 2016 with technology partners. Allied Minds invested \$5.0 million in this fundraising, and third-party investment totalled \$17.0 million.

Operational highlights

- During the year Allied Minds engaged with over 90 new research institutions, bringing the total U.S. universities and federal laboratories in the Allied Minds partner network to 160, from 68 at the end of 2014.
- The investment team reviewed more than 5,000 new technologies developed by the partner network, and following extensive due diligence on over 20 of the most promising, formed and funded four new businesses, resulting in a total Group portfolio of 23 subsidiary businesses at December 2015, and executed options to license three additional technologies.
 - o The Group currently has 21 technologies in early due diligence, two technologies in final due diligence, and a number of opportunities in active negotiations.
- During 2015, several Allied Minds businesses entered into collaborations with industry leaders including Bristol-Myers Squibb, Intel, AMD and Google, validating the quality of the companies' platforms, people and technologies.
- The accelerating pace of developing new and existing companies during 2015 led to significant expansion in the total workforce from approximately 234 to 359 employees and consultants. The workforce increase was almost entirely concentrated into the operating subsidiaries, where new hires consisted of approximately 61% engineering and technical development professionals, 27% leadership and management professionals, and 12% sales, marketing and other business development professionals.

Financial highlights

- Net cash and investments* of \$194.8 million, (2014: \$261.5 million)
 - * includes cash in form of fixed income securities
- Revenues of \$3.2 million, (2014: \$7.7 million) primarily reflecting revenue shortfall at RF Biocidics (RFB), which following initial regulatory approval now requires certification for each individual installation and is subsequently delaying revenue.
- Group Subsidiary Ownership Adjusted Value (GSOAV) at 31 December 2015, while still being finalised, is expected to be comfortably ahead of the prior year due to the strong growth of several key subsidiaries offset by the planned closing of SiEnergy and the reduction in value of RFB.

Key subsidiary highlights

- Spin Transfer Technologies (STT), a next-generation computer memory company:
 - signed a co-development agreement with a major memory company; and
 - successfully developed its diagnostic memory chip (DM1) to generate commercially relevant data for evaluation by potential partners and customers.
- Optio Labs, a mobile security technology company protecting employees' mobile phones/tablets from malware and control security:
 - partnered with AMD and Sonim;
 - launched several new products, including OptioGrizzly, OptioCore 2.0; and OptioServices (in January 2016).
- Federated Wireless, a spectrum sharing company:
 - received Federal Communications Commission's (FCC) authorisation to share government spectrum;
 - partnered with Intel and launched CINQ XP, a product that allows carriers to unlock 3.5 GHz band;
 - initiated a pilot study with the U.S. Department of Defence;
 - working with Google, Intel and Qualcomm on pioneering commercial initiatives; and
 - post-year-end, successfully raised \$22.0 million in equity financing to conclude the development and accelerate the commercialisation of its products and platform.
- RFB:

- as reported in our half yearly results, sales of RFB's state-of-the-art food safety equipment were lower than expected due to delayed regulatory approval;
 - initial regulatory validation was completed by the Almond Board of California Technical Expert Review Panel (TERP), whose decision confirmed third-party test results that showed RFBs' chemical-free process effectively eliminates pathogens like Salmonella from almonds, making them safe to eat; and
 - RFB is now required to obtain certification at each new installation of its system, delaying roll-out. The company is actively working with regulators to streamline the process and at the same time is implementing sales and marketing focused initiatives.
- Allied Minds formed 4 new businesses during the year:
 - o ABLs, a joint venture with Bristol-Myers Squibb entered into a license agreement- with:
 - § Yale University (ABLS I) with respect to research and intellectual property developed in the laboratory of Dr. David Spiegel. The proprietary platform and associated lead molecules known as Antibody-Recruiting Molecules (ARMs) provide a novel approach for the treatment of cancer; and
 - § Harvard University (ABLS II) with respect to research and intellectual property developed by Professor Malcolm Whitman, and commenced a project to create novel therapeutics for the treatment of fibrotic and autoimmune diseases.
 - o BridgeSat, which is a collaboration with The Aerospace Corporation, Draper Laboratory, Massachusetts Institute of Technology Assistant Professor Dr. Kerri L. Cahoy and the graduate student team in the Space, Telecommunications, Astronomy, and Radiation (STAR) Laboratory, to develop an optical connectivity system that aims to increase the speed, security and efficiency of data transmissions from Low Earth Orbit (LEO) satellites compared to traditional radio frequency solutions.
 - o HawkEye 360, a collaboration with Mr. Chris DeMay, (who worked for the U.S. National Reconnaissance Office, leading programs for satellite development), Dr. Charles Clancy and Dr. Bob McGwier of Virginia Tech's Hume Center for National Security and Technology, (who developed the technology for complex RF signal processing). This collaboration resulted in a constellation of small satellites in LEO, capable of detecting wireless signals, to track and monitor global transportation networks, to assist with emergencies, including other data analytics and reporting services.

Board and management

The Group has continued to evolve and strengthen its Board and management with the following key appointments:

- Joseph Pignato, Chief Financial Officer, (former CFO of Swipely, Charles River Ventures, Prism Ventures and Lightbridge);
- Kevin Sharer, Independent Non-executive Director, (former Chairman and CEO of Amgen); and
- Post year end - Jill Smith, Independent Non-executive Director (former Chairman, CEO and President of DigitalGlobe).

Summary and Outlook

Allied Minds made positive progress across the Group in 2015, the range and depth of which has laid strong foundations to generate further value in 2016 and beyond. Our new technology pipeline will support the creation of new subsidiaries and we expect a number in our current portfolio to progress into the commercialisation phase during the year ahead.

The above information is presented on an unaudited basis. The Group plans to issue its 2015 Annual Report and Results for the year ended 31 December 2015, based on its audited statutory accounts, on Monday, 25 April 2016.

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For more information, please contact:

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Allied Minds plc	
Chris Silva, Chief Executive Officer	+1 617 419 1800
	www.alliedminds.com
Citigate Dewe Rogerson	
Patrick Donovan/Rob Newman	+44 20 7638 9571
	alliedminds@citigatedr.co.uk

Notes to Editors

About Allied Minds

Allied Minds (LSE: ALM) is an innovative U.S. science and technology development and commercialisation company. Operating since 2006, Allied Minds forms, funds, manages and builds products and businesses based on innovative technologies developed at leading U.S. universities and federal research institutions. Allied Minds serves as a diversified holding company that supports its businesses and product development with capital, central management and shared services. More information about the Boston-based company can be found at www.alliedminds.com.

Allied Minds Forward-Looking Statement

This press release contains statements that are or may be forward-looking statements, including statements that relate to the company's future prospects, developments and strategies. The forward-looking statements are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from current expectations, including, but not limited to, those risk and uncertainties described in the risk factors included in the company's regulatory filings. These forward-looking statements are based on assumptions regarding the present and future business strategies of the company and the environment in which it will operate in the future. Each forward-looking statement speaks only as at the date of this press release. Except as required by law, regulatory requirement, the Listing Rules and the Disclosure and Transparency Rules, neither the company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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