Growing the Business
Where Process and Spirit Come Together

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In the UK there are 2,455 quote companies and over 10,000 mid-tier companies with turnover between £25m to £250m, accounting for 1/3 of the private sector output and 1 in 3 UK jobs.
Growth: When Size is a Disadvantage

<table>
<thead>
<tr>
<th></th>
<th>NBEs</th>
<th>NCEs</th>
<th>Fast Track</th>
</tr>
</thead>
<tbody>
<tr>
<td>BioTech</td>
<td>24 (89%)</td>
<td>65 (48%)</td>
<td>49 (70%)</td>
</tr>
<tr>
<td>Pharma</td>
<td>3 (11%)</td>
<td>71 (52%)</td>
<td>21 (30%)</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>136</td>
<td>70</td>
</tr>
</tbody>
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Originators for NMEs (1998-2012)

Idea/Compound Generation

- Vision (problem, motivation)
- Project selection
- Execution
- Implementation

Large Corporations
- More Resources...
- Less Original “ideas”...
- Questionable Competitive Advantage...

Random occurrence? Maybe not...

R&D Spending (1999-2012)
- Biotech: $353b
- Pharma: $1.39tr (adjusted from total of 1.7tr)

Commercializors for NMEs (1998-2012)

<table>
<thead>
<tr>
<th></th>
<th>Products</th>
<th>Average Annual Sales / Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotech</td>
<td>74 (45%)</td>
<td>$567.93m</td>
</tr>
<tr>
<td>Pharma</td>
<td>89 (55%)</td>
<td>$620.11m</td>
</tr>
</tbody>
</table>

Data adapted from © D. Drakeman, 2014
Growth: A Chicken and Egg Setting

SME lending has been in constant decline over the past 5-6 years, reflecting an information asymmetry setting: banks want to lend to the “good” SMEs, but SMEs will be “good” if they are properly funded.