



# hibergene

## INVESTMENT SUMMARY

<b>Investment:</b>	Full uncapped equity participation in a high potential early stage business. This investment is EIS eligible. Return based on future expected sale of the company.
<b>Fundraise Amount:</b>	€3m as part of a total round of €5.4m in series B funding.
<b>Security:</b>	Unsecured
<b>Use of Funds:</b>	Private equity raise to expand a range of molecular tests and to fund the development, manufacture, marketing and distribution of rapid-result test kits. The first two products, to test Meningitis and Group B Streptococcus are now fully developed.
<b>Exit Strategy:</b>	Envisaged for investors by 2020/21 after the minimum holding period of 4 years required under the Irish Employment & Investment Incentive Scheme (EIS).
<b>Closing Date:</b>	23rd September 2016
<b>Minimum Investment:</b>	€25,000. Maximum amount subject to personal EIS status, otherwise no maximum.
<b>Fees:</b>	2% placement fee payable by client to Cantor. 4.5% payable by HiberGene to Cantor.

*This document should be read in conjunction with the HiberGene business plan and the company presentation which are available from Cantor upon request.*

## THE OPPORTUNITY

This is an opportunity to invest in a high potential early stage business which has been approved as an uncapped full equity participation EIS investment opportunity. The company is seeking to raise a Series B round of up to €5.4m on the basis of a pre-money valuation of €8m. Of this, €2.4m has been raised and €3m is now being raised on the same price and terms. This will leave the company in a strong financial position to capitalise on the market opportunities presented, and will allow it to build up for an expected trade sale or an Initial Public Offering (IPO) in four to five years.

## THE COMPANY

HiberGene Diagnostics Limited is an Irish medical diagnostics company based on prototype technology initially developed by and acquired from the Belfast Hospital Trust. It is led by a team of highly experienced management, several of whom previously led and helped build up Trinity Biotech plc, a successful Irish diagnostics company listed on the US Nasdaq stock market.

Through a combination of in-house research and development, acquired patents, and licensed enabling technology, the company has developed and continues to develop a menu of diagnostic products for human infectious diseases utilising DNA molecular diagnostic (MDx) techniques targeted mainly at 85% of small and medium sized hospitals which currently outsource such testing.

The first two test products, for Meningitis and Group B Streptococcus (GBS) are now fully developed, the first launched in Q4 2015, the second product launched June 2016. It is planned that new products will be launched at the rate of four per year for the next four years and beyond, with the next two launched in Q3 and Q4 2016.

## Company and Investment Risks

While the management of HiberGene and its advisors have taken every effort to minimise the risk inherent in the financial statements, the technology, the validation of the market opportunity, the distribution agreements and the legal framework, it is still important to consider the following risks in making any assessment of this investment:

- 1. This is an illiquid investment and there will be no market for the shares until such time as the company achieves a trade sale or undergoes an IPO.**
- 2. The duration of this investment may prove longer than the planned period of four to five years should market conditions or company performance affect the ability to sell the company.**
3. The company has taken every effort to satisfy itself on the market potential and the end user demand for the product, however as the direct end user relationship lies with the distributor, a certain element of execution risk exists which could affect sales or market acceptance, or the timing of key contracts delivering revenue.
4. The financial forecasts have been prepared in accordance with the company's best estimates in conjunction its distributor partners and end users. However, should protracted delays occur in accessing certain, or any, markets, the financial status of the company could be affected.
5. Should the company require additional fund raisings in the future, existing shareholdings may end up suffering dilution.
6. Future revenues could be adversely affected should any delays materially impact the delivery of its future planned test product pipeline or its ability to deliver the product pipeline as indicated in the business plan.
7. The company has a limited headcount, and should any event cause the death or incapacitation of key members of the management or science teams, the future expected performance of the company could be impaired.
8. HiberGene has a distinct competitive advantage in the market place for molecular testing with a product markedly faster than its competitors, however, the competitive landscape may well change in the future.

**WARNING: If you invest in this product, you may lose some or all of the money you invest.**

**WARNING: The value of your investment may go down as well as up**