



Precision Results for Precision Medicine

Company Update, November 10, 2022

Dave Dingott, CEO

ddingott@swordbio.com

800-403-7075 x104

Sword Bio – Expanded Portfolio of Capabilities

- **Sword Bio sells products and services to pharma & biotech industry**
- Manufactures and runs highly accurate, and sensitive tests
 - Measures a drug's effect on biomarkers associated with diseases
- Two offerings
 1. **SWORD PLATFORM:** Tests to customers using its flagship technology
 - Class leading accuracy and sensitivity.
 2. **NEW: CONTRACT TESTING LAB CAPABILITY**
 - Sword technology or other industry standard tests
 - Customers send samples to Sword for testing and receive needed results



What is a CTL?

In the life sciences, a Contract Testing Lab is a company that performs scientific research and testing for the pharmaceutical and biotechnology industries on a contract basis.

Good investment?

Biologics are acting as the key driver of growth

Pharma companies are reliant on third parties to successfully penetrate the biologics sector

The trend in outsourcing has been continuing since 2008

Over 10,000 large molecules in development

Track Record

OUR ROI HISTORY SPEAKS FOR ITSELF:

Duration of investment	Exit date	Multiple
5 years	2013	200X
4 years	2017	7X
4 years	2021	7X
5 years	2021	7X

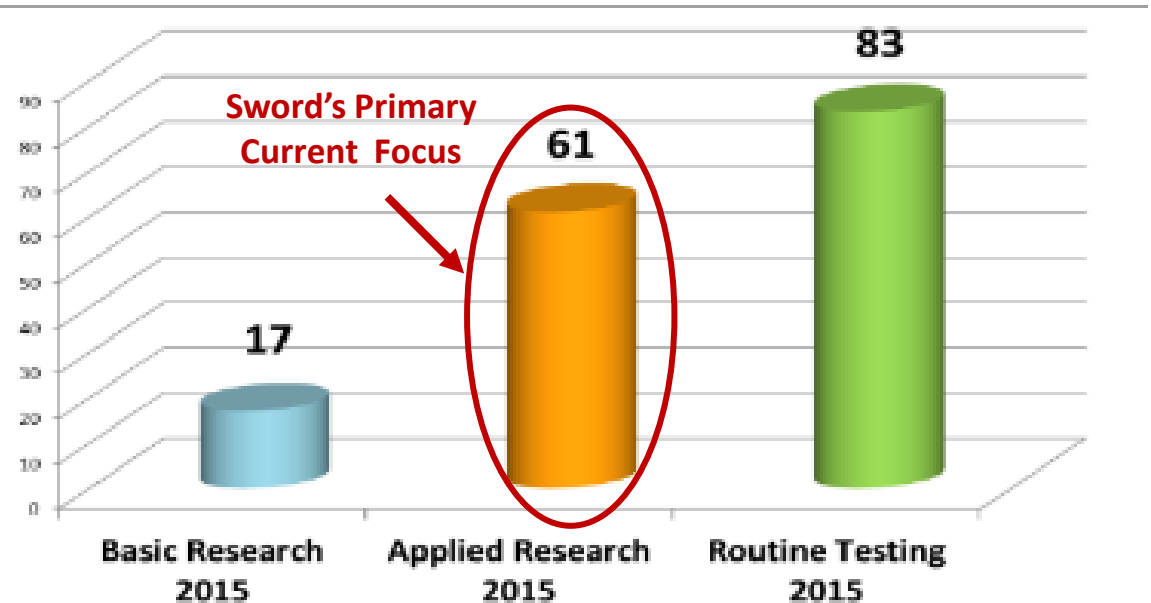
Large Existing Total Addressable Market (\$12.6 B)



Global TAM of 8,000 Biotech Labs Worldwide

Biotech Divisions	Labs	Revenue Potential
Testing Services Companies (CROs, Ref Labs, Clinical)	Routine Testing Labs: Validated Tests	\$6.5 billion
Development Divisions (Rx & Dx Development)	Applied Research Labs: Std/Non-Std Tests/	\$4.8 billion
Research Divisions (Rx & Dx Discovery)	Basic Research Labs: Non-Std Tests	\$1.3 billion

>1,000,000 Plates of Tests (Consumables)
Processed Daily



Sword's Annuity Products

Sword Precision Test Kits



*Precise
Accurate
Sensitive*

- Resonance Raman Spectroscopy (RRS)
- Easy Adoption
 - **NO** new equipment
 - **NO** new Procedures

Real Customer Example:

1 KIT:

ANNUAL REVENUE =\$400,000

GROSS MARGIN: 89%

FDA APPROVED DRUG

Sword Likely Used for Life of Drug

Competitive Landscape

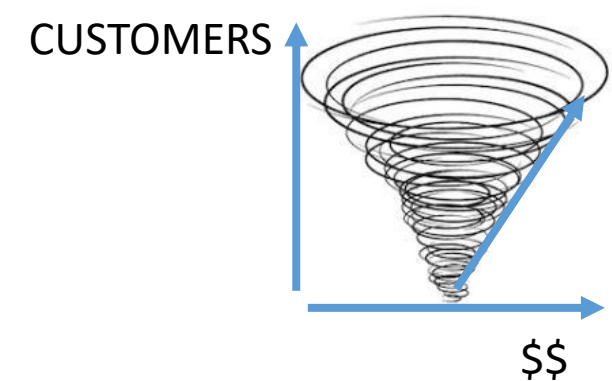
Standard Immunoassays	Customers Require	SWORD BIO	Quanterix	Meso Scale Discovery
✗	Precision	✓	✗	✗
✗	Accuracy	✓	✗	✗
✗	Sensitivity	✓	✓	✓
✓	Simplicity	✓	✗	✗
✓	Runs on Standard Equipment	✓	✗	✗
✗	Multiplexing	✗	✓	✓

Highlights since May MicroCap Conference

- Expanding into Contract Testing Lab Market
- Beginning Strategic Partnership with KCAS
- Expanding work with top 5 pharma client

May Conference	Current
2 Customers	4 Customers (5 th in Europe Soon)
3 Tests	14 Tests

- Customer Publications in Scientific Journals
- Overcoming Severe Supply Chain Challenges



Expansion of Contract Test Lab (CTL) Capabilities

- Expanding into existing, large, underserved market
 - 6 month wait times
 - Some large CTLs only serving largest customers
- Natural extension to existing Sword capabilities
- Holistic set of tests expands customer relationship
 - MesoScale Discovery (\$120,000 Instrument Installed in October)
 - New instrument/ same infrastructure and resources
 - TEVA samples running this month (\$65,000)
 - GLP Quality System to be implemented in 2023
 - Builds on Sword's existing Quality Systems
 - Opens Sword to high volume clinical trial testing
 - Already resulted in PE discussions



Strategic Partnership:



- High Growth Contract Testing Lab
 - Growing through Acquisition
- Leverages their installed base of customers and sales teams
- Sword acts as ‘Intel Inside’
 - Sword Revenue: Configuration & Kit Sales
 - KCAS Revenue: Sample Testing Service
- First two projects kick off this quarter
 - Requires Sword accuracy and sensitivity

Case Study #1: High Throughput Lead Optimization

Company Size: >100,000 Employees

Top 5 Pharma Company
Stage: Discovery – Cell Based
High Volume Lead Optimization

- **Providing DNA Binding Assays to multiple groups:**
- **Estimated annual revenue for tests already in progress: \$1.7 Million**
- **‘Undruggable’ Targets**

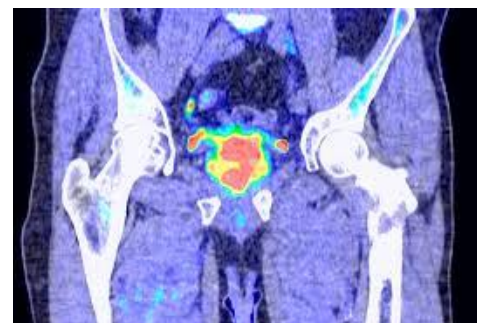
Breast Cancer



Non-Small Cell Lung Cancer



Prostate Cancer



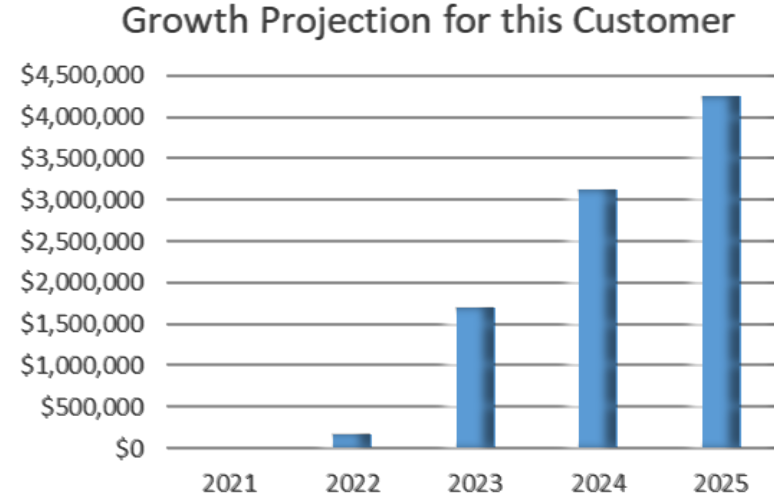
Colorectal Cancer



Case Study #1, (continued)

Top 5 Pharma Co Revenue Trajectory

- Company standardized on Sword's DNA Binding tests
- Each DNA Binding test requires 2 - 7 additional tests
 - Potential adverse effects.
- 12 other targets that would use Sword DNA Binding tests
- Current revenue run rate:
 - \$420K from first location
 - Second location firing up over next 90 days



Capital Raise Details

- Raising \$1.5M for growth (extension of prior round)
 - Use of Proceeds: Growth Capital and CTL capabilities
 - Converts at 20% discount to final round in 2023
 - Expected Conversion Range of ~\$15M
- Investors in this extension include:
 - CEO-\$100,000
 - Stephen Mahedy ~\$100,000
 - Senior Operating Partner, Bregal Sagemount, NYC Private Equity Firm