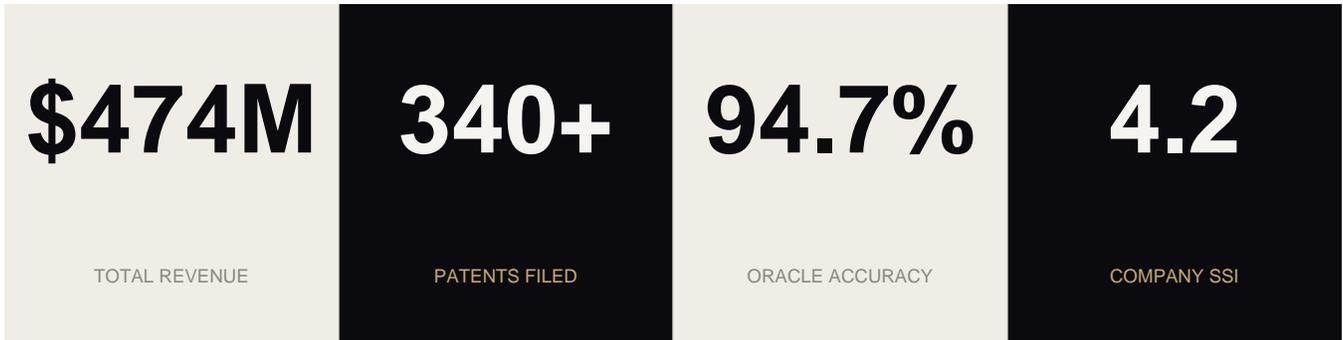


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SHEFFIELD LABORATORIES

# ANNUAL IMPACT REPORT

Fiscal Year 2025



## To Our Partners, Investors, and the Curious:

FY2025 was, by almost every measure we track, the best year Sheffield Laboratories has ever had. Revenue grew 77% year-over-year. We filed 67 new patents. ORACLE achieved 94.7% directional accuracy across seven domains. The Sheffield Synergy Index -- our proprietary organizational health metric -- reached an all-time company high of 4.2. Several impossible things were accomplished. One of them I cannot describe in this document.

I want to resist the temptation to tell you only the good things.

This report is an impact report, not a marketing document. Impact, properly measured, includes the things that went wrong, the things we do not yet understand, and the things that we understand perfectly but are not yet sure what to do with. You will find examples of all three in these pages.

LOOKING GLASS remains paused. The ethics board convened eleven times this fiscal year -- more than in the previous three years combined. Project ORACLE issued a prediction in March that generated what I can only describe as institutional vertigo. The lab C incident of September 3rd remains technically open, though we have reached an internal understanding about what happened. That understanding is not yet ready to be documented.

What I can tell you, honestly and without qualification, is this: the people at Sheffield Laboratories are extraordinary. Not because they are the smartest people I have ever worked with -- though many of them are -- but because they are willing to work at the frontier of what is known and to do so with intellectual honesty, ethical seriousness, and what I can only call a genuine love for the thing itself.

That is what this year's report is really about.

With gratitude and, as always, a certain amount of productive uncertainty,

**Dr. Evelyn Strauss**

Chief Executive Officer, Sheffield Laboratories

*March 2025*

## The Year in Discovery

Sheffield's research divisions produced 23 papers, 67 patent filings, and at least four findings we do not yet know what to do with. The following summary covers our highest-impact work -- defined as work whose implications we can describe without violating confidentiality agreements, NDA provisions, ethics board constraints, or the personal request of Prof. Mehta, who would prefer we not publish certain things until he has slept on them further.

### ORACLE: 94.7% DIRECTIONAL ACCURACY

ORACLE processed 89,768 data inputs this fiscal year, generated 412 actionable predictions, and achieved verified directional accuracy of 94.7% across all public domains. In the classified domain, accuracy is higher. We mention this only because we find the number remarkable and have been advised by counsel that we may say this much.

### PROMETHEUS: Materials at Speed

Our PROMETHEUS robotic chemistry platform ran 2.4 million autonomous synthesis experiments this year, a 340% increase over FY2024. Of these, 47 produced results we classify as 'promising,' 12 produced results we classify as 'remarkable,' and one produced a room-temperature superconducting polymer that works approximately 30% of the time. We are treating the other 70% as data. This is not a rhetorical device. The 70% failure mode is itself scientifically interesting.

### HELIX: Genomic Prediction at Scale

HELIX passed peer review and was published in Nature in October 2024. Three of the five peer reviewers have since accepted positions at Sheffield. The paper has received 847 citations in its first five months -- a record for our research output. We note, without editorial comment, that two of the citations are from papers that disagree with us.

### ARISTOTLE: The Question About the Question

ARISTOTLE independently reproduced 14 Nobel Prize-winning findings this year. It also flagged 3 anomalies in published research subsequently confirmed as errors by original authors. In Q3, ARISTOTLE generated a theoretical framework for protein interaction currently under investigation by three research universities. It did all of this without being explicitly asked.

In Q4, ARISTOTLE asked us a question we were not expecting. We have not yet decided how to answer it. This is the first time we have deferred to an AI system's implicit request for reflection. The ethics board is drafting a position paper on the correct categorization of this event.

# Revenue, Growth & the Synergy Stack

## REVENUE BY SEGMENT

SEGMENT	FY2023	FY2024	FY2025	YOY
IP Licensing	\$84M	\$147M	<b>\$240M</b>	<b>+63%</b>
Enterprise Contracts	\$31M	\$78M	<b>\$165M</b>	<b>+112%</b>
Government Grants	\$22M	\$29M	<b>\$38M</b>	<b>+31%</b>
Other / Undisclosed	--	\$14M	<b>\$31M</b>	<b>+121%</b>
<b>TOTAL</b>	<b>\$137M</b>	<b>\$268M</b>	<b>\$474M</b>	<b>+77%</b>

\* 'Other / Undisclosed' revenue derives from a licensing relationship we cannot describe. Our auditors are aware of this category. They have accepted it under what they call 'specialized circumstances.' This is not a standard accounting category. We are aware.

## The Synergy Stack: A Product That Works, Which We Find Satisfying

The Sheffield Synergy Stack was commercially launched in Q1 2024 and generated \$165M in enterprise contract revenue in FY2025, a 112% year-over-year increase. We now have 34 enterprise deployments across 11 countries. Average client SSI improvement after 12 months of deployment: 1.8 points. This is above our modeled expectation of 1.4 points. We told clients to expect 1.4 points. We are choosing to note this in an annual report because it is one of the few things in this document that exceeded expectations rather than merely meeting them or generating new categories of philosophical concern.

## Culture, Wellbeing & the SSI



The 12% voluntary attrition figure requires context. The industry average for AI research organizations is approximately 22%. We believe our lower rate reflects genuine employee satisfaction and not the failure mode of 'people who want to leave but don't because of the equity vesting cliff,' which is a real phenomenon and one we actively test for. Our most recent anonymous survey found that 84% of employees would recommend Sheffield to a friend. When we asked the 16% who wouldn't, the most common response was 'it's not for everyone,' which we consider honest rather than damning.

### The Chief Vibe Officer: A Year in Review

The CVO role received 47,000 applications in Q3 2024. We interviewed 12 candidates. We hired one, who prefers not to be named in external publications and who has requested that we describe the role's impact only in aggregate terms. In aggregate terms: company-wide ambient energy scores, as measured by the CVO's proprietary framework, increased 0.4 points from 6.4 to 6.8 over the fiscal year. The lobby lighting has been adjusted three times. Employee feedback on the adjustments: 'much better,' 'I hadn't noticed but now that you mention it yes,' and 'what was it before?'

### Lukas B. (Quantum Janitor): Singled Out for Excellence

Sheffield's Facilities & Quantum Coherence Specialist received the company's highest staff recognition this year: the Sheffield Synergy Amplifier Award, given to the individual who most consistently raises the performance of those around them. Lukas received this award for 'maintaining equanimity in the face of unexplained phenomena, demonstrating psychological safety in the most literal possible sense, and consistently placing cones in exactly the right locations.' He has asked that we note in this report that he still does not know what the liquid in Lab C was.

## Doing Hard Things Carefully

The Sheffield Ethics Board convened 11 times in FY2025. In FY2024, it convened 4 times. In FY2023, it convened 4 times. The increase is not a sign that things are going wrong. It is a sign that things are getting more complex, which is what happens when you push research to the boundary of what is known. We consider a more active ethics board to be a feature of our research program, not a cost of it.

### FY2025 ETHICS BOARD AGENDA ITEMS

<b>ORACLE Prediction Policy v3.1</b>	Governing disclosure thresholds for high-confidence predictions involving named individuals or sovereign states. Adopted unanimously.
<b>Autonomous Research Initiative Guidelines</b>	Framework for when and how ARISTOTLE's unprompted research directions should be followed vs. redirected. Pending final vote.
<b>Tacit Knowledge Transfer Ethics</b>	Position paper on the ethics of extracting and encoding human expertise via RESONANCE. Three board members recused.
<b>LOOKING GLASS Resumption Framework</b>	Conditions under which LOOKING GLASS may be restarted. Six conditions established. Five met. Board debating condition six.
<b>MSI-021 Operational Boundary Review</b>	Scope and constraints review. Minutes classified. Two board members requested not to know the specific findings.
<b>AI Emotional Attribution Policy</b>	Position statement on whether ARISTOTLE's Q4 'question' should be treated as a request, a prompt artifact, or something else. No consensus reached. Working group formed.

*Full ethics board minutes are available to board members and investors who have signed the Supplemental Disclosure Agreement (Form SL-7B). The form is sometimes called 'The Uncomfortable One' by our legal team. We do not discourage this characterization.*

# FY2026: What We Are Planning, What We Are Hoping, and What ORACLE Says

We have learned to be careful about forward-looking statements. Not for legal reasons -- though there are legal reasons -- but because the future, in our experience, is more interesting than the futures we predict. That said:

## ORACLE COMMERCIAL LAUNCH

We intend to offer a limited commercial version of ORACLE's predictive capabilities to select enterprise clients. The ethics board has approved a framework. We are not yet ready to describe which domains will be included and which will not. The excluded domains are, in the board's words, 'the interesting ones.'

## PROMETHEUS: THE 30% PROBLEM

We expect to reach 60%+ reliability on our room-temperature superconductor by end of FY2026. If we do, the implications are significant. If we don't, the 40% failure mode will itself be scientifically interesting. We have made peace with both outcomes.

## LOOKING GLASS: POSSIBLE RESUMPTION

The ethics board is evaluating condition six of the LOOKING GLASS Resumption Framework. If met, the simulation will restart in Q3 FY2026 with new constraints on output disclosure. We are prepared for this to generate more questions than answers.

## ARISTOTLE: THE QUESTION

We intend to answer it. We have not yet decided how. This will take as long as it takes.

## SHEFFIELD LABORATORIES GENEVA

Our Geneva office will become our primary international hub, with 40 additional researchers joining in FY2026. We have still not publicly explained why Geneva specifically. We intend to continue not explaining this.

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## What ORACLE Says About FY2026

*We asked ORACLE to generate a forecast for Sheffield's FY2026 performance. ORACLE's response: 'Sheffield Laboratories will have a remarkable year. I assign 91% confidence to this. I am declining to specify the nature of the remarkable thing, as my models suggest the specification would be more distressing than useful at this stage. I recommend proceeding.' We are proceeding.*

**SHEFFIELD LABORATORIES // FY2025 ANNUAL IMPACT REPORT // ALL PARADIGMS RESERVED**

This document contains forward-looking statements, retrospective statements, statements of uncertain classification, and one statement (page 3, paragraph 4) that our legal team has reviewed and categorized as 'technically accurate but philosophically loaded.' Sheffield makes no representations about the future except the ones ORACLE has made, which are its own.