The Affimer Platform

Enormous potential, significant milestones achieved and momentum building strongly
Disclaimer: Important Notice

No representation or warranty, expressed or implied, is made or given by or on behalf of Avacta Group plc (the “Company” and, together with its subsidiaries and subsidiary undertakings, the “Group”) or any of its directors or any other person as to the accuracy, completeness or fairness of the information contained in this presentation and no responsibility or liability is accepted for any such information. This presentation does not constitute an offer of securities by the Company and no investment decision or transaction in the securities of the Company should be made solely on the basis of the information contained in this presentation.

This presentation contains certain information which the Company's management believes is required to understand the performance of the Group. However, not all of the information in this presentation has been audited. Further, this presentation includes or implies statements or information that are, or may deemed to be, "forward-looking statements". These forward-looking statements may use forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should". By their nature, forward-looking statements involve risks and uncertainties and recipients are cautioned that any such forward-looking statements are not guarantees of future performance. The Company's or the Group’s actual results and performance may differ materially from the impression created by the forward-looking statements or any other information in this presentation.

The Company undertakes no obligation to update or revise any information contained in this presentation, except as may be required by applicable law or regulation. Nothing in this presentation is intended to be, or intended to be construed as, a profit forecast or a guide as to the performance, financial or otherwise, of the Company or the Group whether in the current or any future financial year.

This presentation and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

Certain information in this presentation has been extracted from announcements made by the Company and this presentation is not a substitute for reading the Company’s announcements in full.
Key Messages
Enormous potential, significant milestones achieved and momentum building strongly

• Avacta is a pre-clinical biotech with proprietary Affimer® platform technology offering significant technical and commercial benefits over antibodies.
• The Affimer platform addresses markets worth in excess of $100bn where alternatives to antibodies are gaining significant traction.
• Affimer reagents are being adopted by major biotech, pharma and diagnostics companies, the pipeline of evaluations has grown strongly in quality and size.
• The therapeutic opportunity has been significantly de-risked, a pipeline of drug assets is being built and the lead programme is on track to reach the clinic in 2020.
• Avacta’s ambition is to be a clinical stage biotech with a focus on immuno-oncology and to build a recurring reagents revenue stream.
• As a proven platform technology able to address multiple markets the downside risk is low, with significant upside potential as the Group builds a pipeline of valuable drug assets.
Affimer®: The Next-Generation Alternative to Antibodies

- **Antibodies** can be used as drugs and for diagnostics because they can **capture or block specific targets**.

- **Antibodies** have captured markets worth in excess of $100bn despite having **significant limitations**.

- **Antibodies** are **large, complex, difficult to manufacture**, can be **unstable** and **difficult to modify** to suit certain applications.
What is an Affimer?

- Based on a **naturally occurring protein** and engineered to **behave like an antibody**.
- Its **binding surface** is created by loops which can be altered to **capture different targets**.

**Key Benefits**

- **Unencumbered IP**.
- **Freedom to operate** where there is antibody IPR.
- **Security of supply**.
- **Cheaper to produce**.
- **Smaller, simpler, more robust** than antibodies.
- **High affinity** Affimers generated for new targets in a matter of weeks, **much quicker** than antibodies.
- **Very specific** to the target of interest – no cross reactivity.
- **Easily modified** and **easily manufactured**.
- **Non-immunogenic**.
### Large Life Sciences Markets Dominated by Antibodies Despite Their Limitations

<table>
<thead>
<tr>
<th>Reagents</th>
<th>Therapeutics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research</strong></td>
<td><strong>Diagnostics</strong></td>
</tr>
<tr>
<td><strong>$2bn</strong></td>
<td><strong>$11bn</strong></td>
</tr>
<tr>
<td><strong>$75bn+</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **Reagents**
  - Lab test kits, purification systems, biosensors etc.
  - Minimal barriers to entry.
  - Antibodies have quality and performance issues.

- **Therapeutics**
  - Lab diagnostics and rapid testing.
  - Higher value and regulatory approval required.
  - Antibodies have issues with specificity, robustness and supply.

- Very high valuations of therapeutic assets.
- Key benefits of a small, adaptable platform.
Progress Against 2015 Objectives
Excellent Progress Against 2015 Objectives

1) Develop the **first Affimer therapeutic** candidate for clinical development.

2) Build a **pipeline of therapeutic Affimers** and enabling Affimer platform technologies for licensing or future in-house development.

3) Secure further Affimer therapeutic **license/partnering deals**.

4) Grow a **custom Affimer revenue stream** with the potential for long term royalties.
1) Develop the First Affimer Candidate to the Clinic

On target to be in the clinic with a PD-L1 antagonist in 2020

**Why?**
- **Clinical data** (safety and tolerability):
  - de-risks the platform for partners,
  - increases the value and scope of deals,
  - is a major value inflection point for Avacta.
- **PD-L1** selected to minimise risk and as the backbone for future combinations e.g. PD-L1/LAG3

**Progress**
- >50 PD-L1 antagonists generated and characterised
- Efficacy in CT26 model, PK and immunogenicity data
- Extensive formatting and production data

**Next Steps**
- **Pathway into the clinic:**
  - In-vivo work and detailed biology packages
  - Candidate selection and CMC/regulatory packages
  - IND filing 2019/2020
- **Maximise value** from PD-L1 assets (combinations and bispecifics, novel drug conjugate, licensing for gene delivery)
2) Secure Further Affimer Partnering Deals

Research partnerships established, multiple larger opportunities in the pipeline

What?
- Securing partnering deals requires **data**:
  - **De-risking** the platform for **partners**
  - **Proof** of the **benefits** of Affimers
  - **High value** licensing deals are more likely with:
    - Assets with pre-clinical **in-vivo data** (2018/19)
    - **Clinical data**

Progress - Data
- Multimeric formats
- Fc formats
- Efficacy
- Low immunogenicity
- Serum stability
- High expression yields
- Rapid development
- Pharmacokinetics
- Range of antagonists, agonists and targeting Affimers

Next Steps
- More efficacy (**in-vivo**) data from PD-L1 and other programmes
- Manufacturing and tox data
- **Clinical data**

Progress - Partnerships
- **moderna** messenger therapeutics
- **ONCOSEC** FIT BIOTECH
- **glythera**
- **PHGREMOST** DRUGGING THE UNDRUGGABLE
Example Deals in Immuno-oncology

Over $10bn license/M&A deals done 2015-16 and many of these were for pre-clinical assets

(Apr 2016) $685m with $40m upfront in deal for ARG-115X asset

(Jan 2017) $31m upfront and up to $338m in success-based payments for checkpoint inhibitor plus 4 other programs

(May 2017) up to $115m upfront and success-based payments for PD-L1/LAG3 bispecific

(Aug 2017) Gilead acquires Kite for $11.9bn

(Jan 2016) $170m in upfront and near term milestone for access to next gen platform

(Jan 2018) Celgene acquires Juno for $9bn
3) Build a Therapeutic Affimer Pipeline

More than ten programmes underway generating Affimer lead molecules

**Why?**
- Building value through creation of drug candidates for:
  - pre-clinical licensing,
  - development and future licensing.
- Generating Affimer platform data to support wider business development.

**What?**
- In-house immuno-oncology focus
  - Immune-checkpoint inhibitors,
  - Immune system priming and activation (agonists),
  - T-cell recruitment.
- Other oncology opportunities being explored with partners to support business development.

**Progress**
- 10 in-house programmes initiated including:
  ✓ PD-L1, LAG3 – lead molecules in development.
  ✓ GITR, CD27 – agonists.
  ✓ 5T4, CD19, CD3e, CD22 - tumor targeting
  ✓ Affimer XT™: human serum albumin binders (half-life extension)
  ✓ Others: Fibrinogen, alpha-2-antiplasmin.

**Next Steps**
- PD-L1, LAG3, Affimer XT development to the clinic.
- Characterisation of lead molecules in other programmes until additional resources available.
4) Custom Affimer Business: Progress

Strong growth in custom Affimer services pipeline number and quality of customers

First product development license granted to a top three global diagnostics company 2017.

WORK-IN-PROGRESS AND SALES PIPELINE BY SECTOR

- Pharma - Tx: 22%
- Pharma - Rx: 18%
- Diagnostics: 11%
- Rx Reagents: 20%
- Separations: 5%
- Other: 24%

Custom Affimer Order Book

2015: 0
2016: 200
2017: 600
HY18: 800

£k

ONGOING AFFIMER TECHNOLOGY EVALUATIONS BY SECTOR

- Pharma - Tx: 23%
- Pharma - Rx: 27%
- Diagnostics: 23%
- Rx Reagents: 15%
- Separations: 8%
- Other: 4%

Avacta Life Sciences Revenue

2015: 0
2016: 0.5
2017: 1.5
2018: 2

£m
4) Custom Affimer Business: Valuation

Valuation of the Affimer reagents business underpins current market capitalisation

<table>
<thead>
<tr>
<th>Reagents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
</tr>
<tr>
<td>Diagnostics</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Typical Licensing Terms and Potential Value¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deal Size</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Small</td>
</tr>
<tr>
<td>Small</td>
</tr>
<tr>
<td>Medium</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Typical Licensing Terms and Potential Value¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deal Size</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Med/Large</td>
</tr>
</tbody>
</table>

- First diagnostics development license was agreed in May 2017 with one of the top three global diagnostics companies.

- Pipeline of 25+ evaluations ongoing (not all evaluations will lead to license deals).
- Active business development in the three market focus areas to grow this pipeline.
- Sustainable cost base low single digit £m.
- Steady growth in services revenue covers a substantial proportion of the cost base.
- Expecting a high margin royalty based revenue stream from licensing to grow from 2020.

¹ Management estimates based on current negotiations/evaluations
Progress Summary 2015-17

1) Develop the first Affimer therapeutic candidate for clinical development.
   - Significant de-risking of platform.
   - Multiple PD-L1 assets in development.

2) Build a pipeline of therapeutic Affimers and enabling Affimer platform technologies for licensing or future in-house development.
   - 10 discovery programmes initiated.
   - Multiple leads generated to a range of I-O, oncology and other targets.

3) Secure further Affimer therapeutic license/partnering deals.
   - Substantial platform data generated supporting BD.
   - Multiple research partnerships established with potential for monetisation.
   - In-vivo data (2018 onwards) important for larger deals.

4) Grow a custom Affimer revenue stream with the potential for long term royalties.
   - Many third parties now using Affimers.
   - Good growth in order pipeline and number of evaluations.
   - Very good improvement in “quality” of pipeline.
   - First development deal signed 2017 with a global diagnostics player.
High Level Objectives 2018-21
Clinical stage biotech and a profitable reagents business

Recurring Revenue from Reagents

- **Recurring revenue** stream established from supply arrangements, custom Affimer services and product sales.
- Established potential for **significant long term royalty** based revenues attracting higher valuation of this revenue stream.
- Expansion of **IP portfolio** to encompass specific assets and applications.

Clinical Stage Biotech Company

- Multiple in-house pre-clinical and **clinical** assets.
- **Pre-clinical/clinical data** with existing partners.
- Additional programmes with **significant pharma partners** established.
- Expansion of **IP portfolio** to encompass specific assets and applications.
Comparators

**Avacta Group plc**

**Comparators**

- **Molecular Partners**
  - SWX: MOLN
  - DARPin discovery program
  - Several assets in phase 1/2/3
  - Abicipar in phase 3
  - $607m

- **Pieris**
  - NASDAQ: PIRS
  - Anticalin discovery program
  - 3 assets in phase 1/1b/2a
  - $346m

- **Ablynx**
  - EBR: ABLX
  - NASDAQ: ABLX
  - Camelid “Nanobody”
  - Acquired by Sanofi January 2018 for $4.8bn
  - $3bn

- **Affimer**
  - AIM: AVCT
  - Multiple preclinical assets
  - $40m

**Affimer**

Multiple assets in phase 1/2/3 and first product about to receive marketing approval (Caplacizumab)
Summary

Enormous potential, significant milestones achieved and momentum building strongly

• Avacta is a **pre-clinical biotech** with proprietary **Affimer®** technology offering significant **technical and commercial benefits over antibodies**.

• The Affimer platform addresses **markets worth in excess of $100bn** where alternatives to antibodies are gaining significant traction.

• Affimer reagents are being **adopted by major biotech, pharma and diagnostics companies**, the pipeline of evaluations has grown strongly in quality and size.

• The **therapeutic opportunity** has been **significantly de-risked**, a pipeline of drug assets is being built and the lead programme is on track to **reach the clinic in 2020**.

• Avacta’s ambition is to be a clinical stage biotech with a **focus on immuno-oncology** and to build a **recurring reagents revenue stream**.

• As a proven platform technology able to address multiple markets the **downside risk is low**, with **significant upside** potential as the Group builds a pipeline of valuable drug assets.
finnCap Ltd (Broker and Nomad)
Geoff Nash / Giles Rolls – Nominated Advisors
Tim Redfern / Alice Lane – Corporate Broking
www.finncap.com
T  +44 (0) 207 220 0500

WG Partners (Broker)
Nigel Birks / Nigel Barnes
Andrew Craig/ Claes Spang
T  +44 (0) 203 705 9318
www.wgpartners.co.uk

Yellow Jersey PR
Sarah Hollins / Katie Bairsto
Sarah@yellowjerseypr.com
www.yellowjerseypr.com
M +44 (0)7764 947 137

Zyme Communications (Trade and Regional Media)
Katie Odgaard
T +44 (0) 203 727 1000
katie.odgaard@zymecomunications.com