

A close-up photograph of a female scientist wearing a white lab coat, purple safety goggles, and blue nitrile gloves. She is looking through the eyepieces of a black and blue microscope. The background is a bright, out-of-focus laboratory setting. The image is split diagonally, with the top-left portion being white and containing text, and the bottom-right portion showing the scientist and microscope.

ARIX

INVESTING IN LIFE
CHANGING INNOVATION

ARIX BIOSCIENCE PLC (LSE:ARIX)

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AGENDA

- » Financial results FY 2021
- » Strategy update
- » Portfolio update
- » Summary & outlook
- » Appendix & glossary





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2021 FULL YEAR RESULTS

ANNUAL RESULTS HIGHLIGHTS 2021

PERFORMANCE



18% decline in NAV per share to 198p (NAV: £255m)

- Gross Portfolio downward revaluation of £54m*
- Performance impacted by volatility in share prices of listed portfolio companies; Arix remains confident in business fundamentals through active management and long-term objectives of the portfolio
- 15% annualised NAV per share growth over last 24 months

CAPITAL



Deep capital pool; £134m cash at 31 December 2021

- Participated in \$90m Series B round for Disc Medicine and invested £8m (\$11m)
- Co-lead \$31m Series A financing for Sorriso Pharmaceuticals, committing £9.8m (\$13m)
- Total of £59m deployed in period into new and existing investments
- Total realisations of £39m in 2021

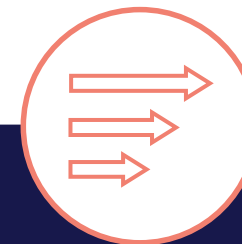
OPERATIONAL



Improved governance and aligned cost base

- Chair and CEO roles split with focus on improving corporate governance
- Sir Michael Bunbury appointed to the Board as Senior Independent Director, further strengthening corporate governance
- Further reductions to bring cost below 2% of NAV

PORTFOLIO



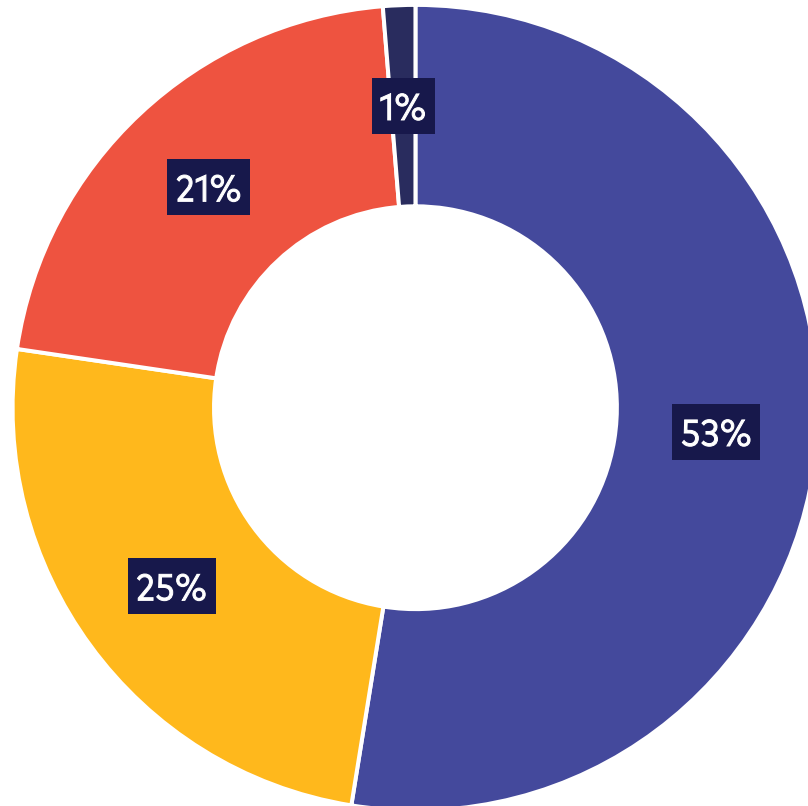
Clinical and operational progress

- \$776m raised by portfolio companies in 2021 (\$580m in 2020)
- Artios entered a strategic collaboration with Novartis as well as transitioning to a clinical stage company
- Amplyx acquired by Pfizer
- 2x IPO's on NASDAQ by Aura and Pyxis
- Continued clinical progress with data readouts and new trial initiations

*Includes FX and impairment

NAV BREAKDOWN: CASH / PUBLIC / PRIVATE / OTHER

NAV: £255m (198p per share)



■ Cash ■ Public ■ Private ■ Other



53%

of the NAV is cash available for new investments



25%

of the NAV is in listed companies, valued at market prices



21%

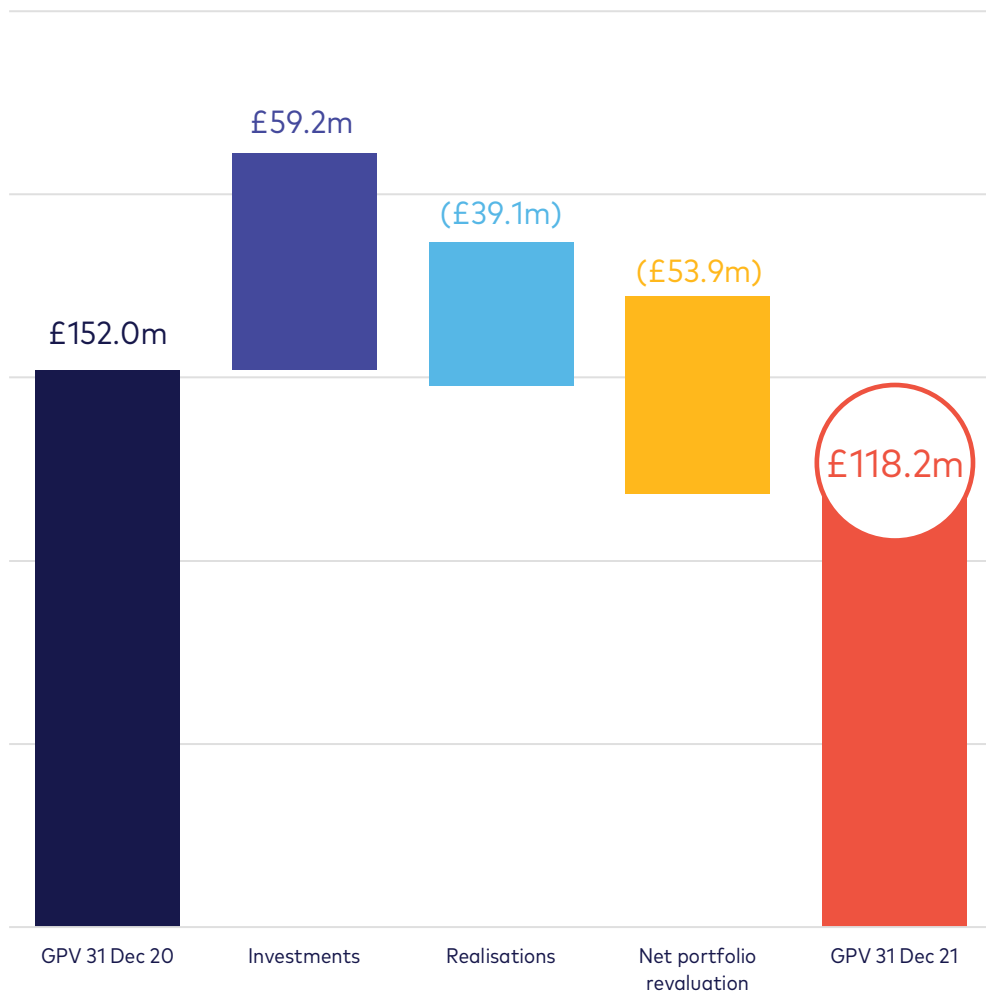
of the NAV is in private companies valued by reference to the most recent third-party funding round, or the original cost of investment



1%

of the NAV is in other interests

GROSS PORTFOLIO PERFORMANCE IN THE PERIOD



GPV at 31 December 2021: £118.2m

» **£59.2m invested in the period**
Two new portfolio companies added (Disc Medicine & Sorriso)
Further investment into the existing portfolio

» **£39.1m realised in the period**
Trade sale of Amplyx to Pfizer
Realisations from public portfolio

» **£53.9m net downward revaluation***
Volatility in share prices of listed companies
Closing of Quench Bio and write-off of Atox Bio

*Includes FX and impairment

SIGNIFICANT GROWTH IN PORTFOLIO VALUE SINCE INCEPTION

£222m invested; £319m of realised and unrealised value

Excludes uninvested cash and impact of operating costs and other group activities

» Capital raised since inception: **£252m**

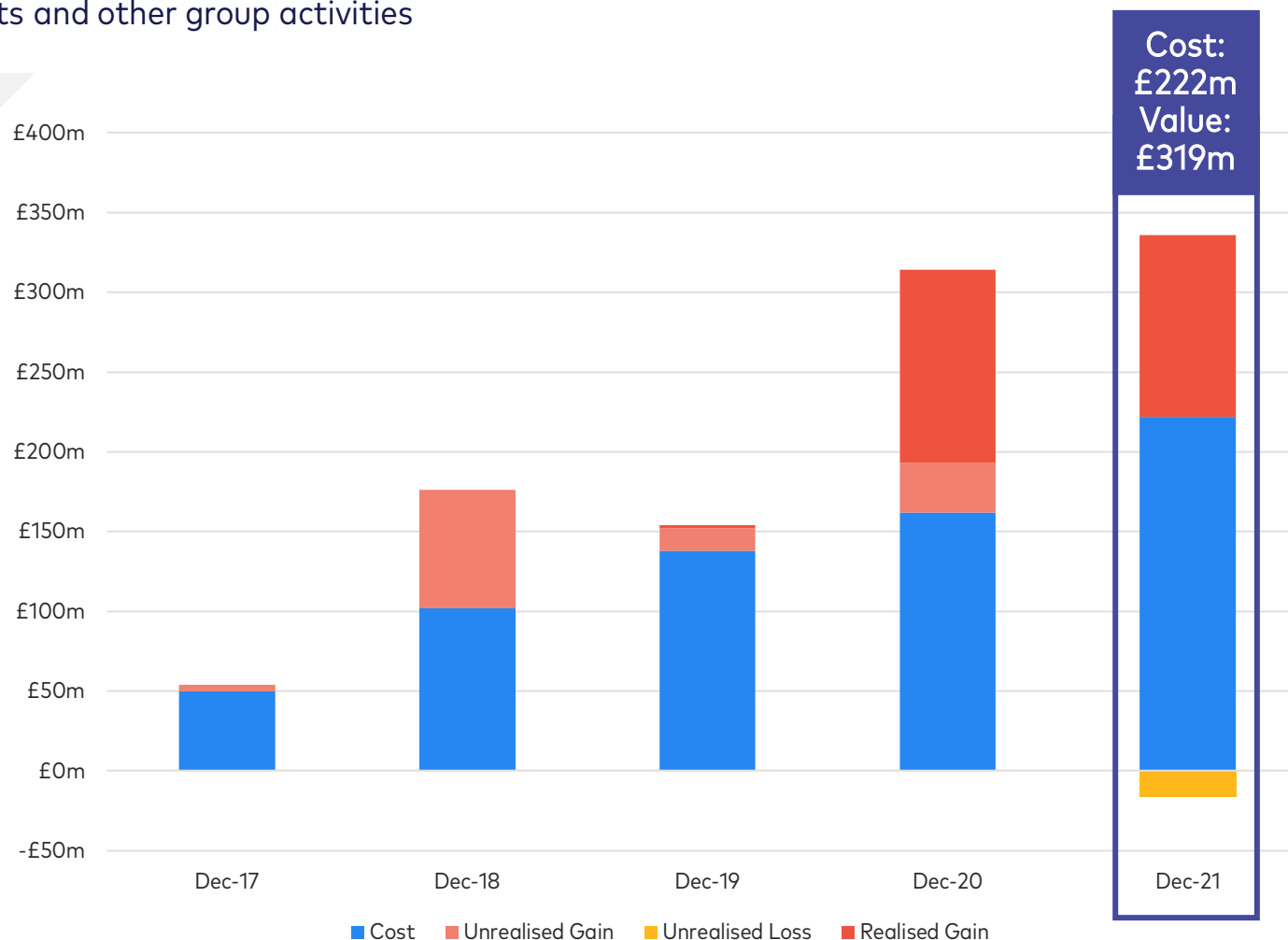
» Capital deployed since inception: **£200m+**

» Value (realised and unrealised): **£319m**

» Average IPO step up: **x 1.6**

» 2 companies acquired by pharmaceutical companies:

- > VelosBio acquired by Merck for \$2.75bn (12x return; 323% IRR)
- > Amplyx acquired by Pfizer (1.1x return; 4% IRR)



NAV PROGRESSION

NAV: £255m (198p per share); 18% decrease in NAV per share in the 12 month period

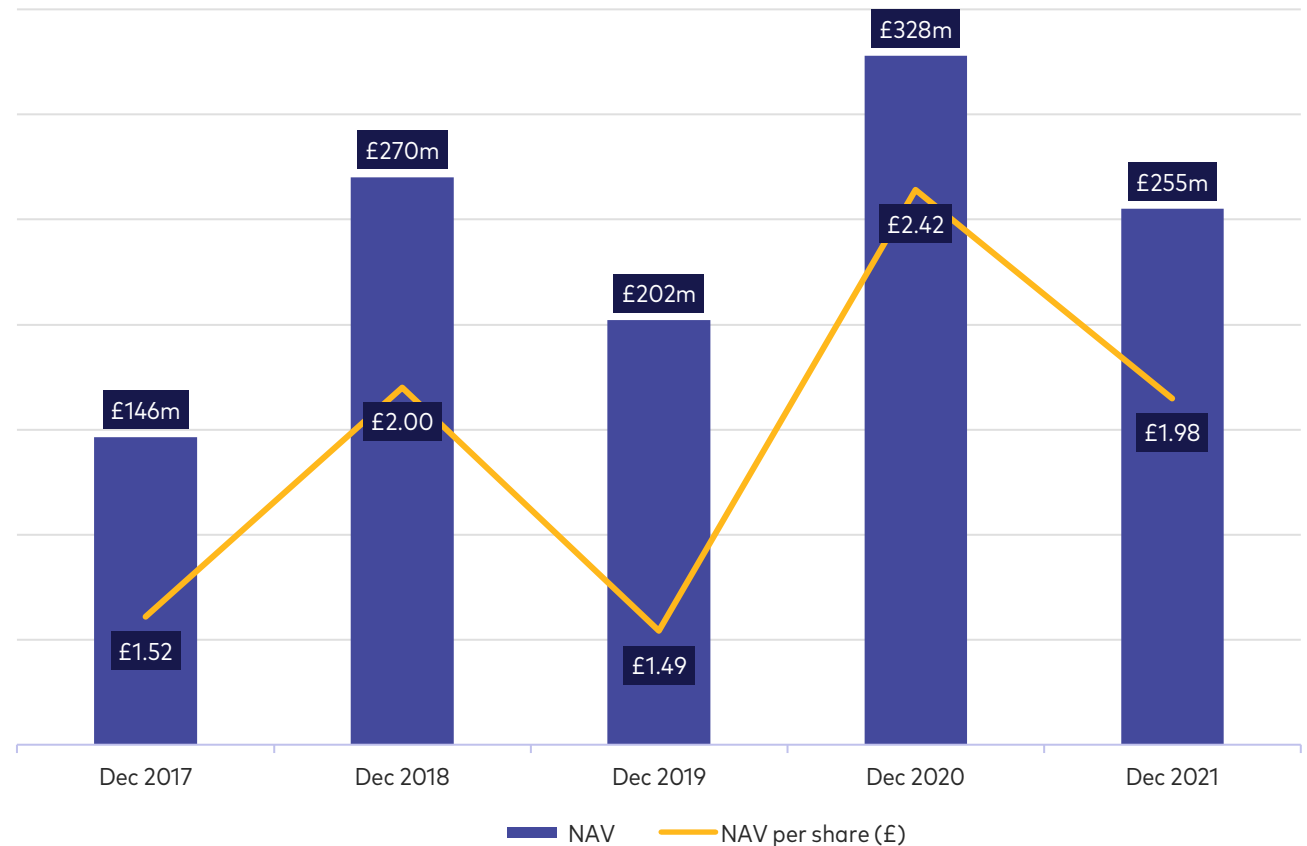
» £134m cash at 31 Dec 2021

» £118.2m GPV at 31 Dec 2021

» 15% Annualised NAV per share growth over 24 months to 31 Dec 2021

» £201m realised proceeds since inception

Robust and Prudent approach to valuation



A photograph of a laboratory environment. In the foreground, a person wearing blue nitrile gloves is marking clear plastic test tubes with a red marker. The test tubes are held in a purple and grey rack. The rack has the word 'STEM' and 'TC' visible on its side. In the background, there are various laboratory items, including a pink container and a beaker with red liquid. The image is split diagonally, with the laboratory scene on the left and a white area with text on the right.

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STRATEGY UPDATE

OUR PURPOSE

“Our goal is to generate superior returns for our investors and to make a tangible difference to patients’ lives by investing in a focused portfolio of innovative biotechnology companies addressing areas of high unmet need in healthcare.”



ARIX BOARD OF DIRECTORS



» Peregrine Moncreiffe

Non-Executive Chairman

30+ years experience in investment, most recently Chairman of North Atlantic Smaller Companies Investment Trust alongside Director at Metage Funds



» Robert Lyne

Chief Executive Officer

Previously COO & Company Secretary of Arix and prior to that at Touchstone Innovations, Rob has worked on 70+ VC financings and transactions and has broad experience of public company governance



» Maureen O'Connell

Non-Executive Director

Global business executive, Chief Financial Officer and corporate director appointed to the Arix Board on behalf of Acacia Research



» Isaac Kohlberg

Non-Executive Director

Senior Associate Provost and Chief Technology Development Officer at Harvard University, Isaac has a distinguished career protecting and commercializing IP for leading universities and research institutions



» Sir Michael Bunbury

Senior Independent Director

Former Chairman of HarbourVest Global Private Equity Limited, BH Global Ltd and of JP Morgan Claverhouse Investment Trust plc. He was a director of Invesco Perpetual Select Trust plc, and of Foreign & Colonial Investment Trust plc.

INVESTMENT TEAM



» Mark Chin

Managing Director

Significant experience as a board director of both private and public biotech companies in the US and Europe and has sourced and led many key investments for Arix



» Felix Breyer PhD

Associate

Felix completed his PhD in biochemistry at University College London and joined Arix in 2021 where he now holds several Board Observer roles

INVESTMENT STRATEGY

Our focus

- » **Transatlantic Footprint**
Deep-rooted networks across Europe and North America to source the best opportunities and leverage differing valuation & cost environments



- » **Cutting Edge Therapeutics**
Novel therapeutics with first or best-in-class approach in areas such as Oncology, Immunology and Rare Disease that have high unmet need and offer significant market opportunity



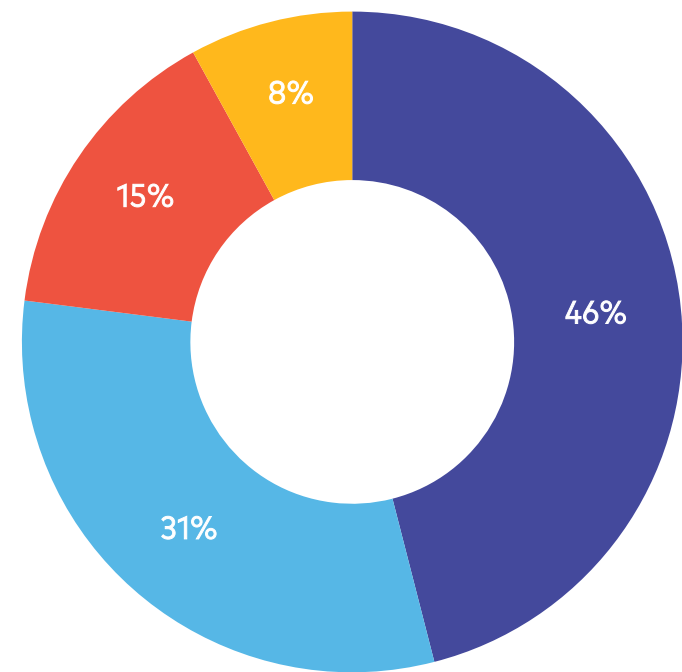
- » **Pre-Clinical to Clinical Stage Ventures**
Guided by the quality of the opportunity with a focus on clinical stage companies that have meaningful upcoming value inflection points



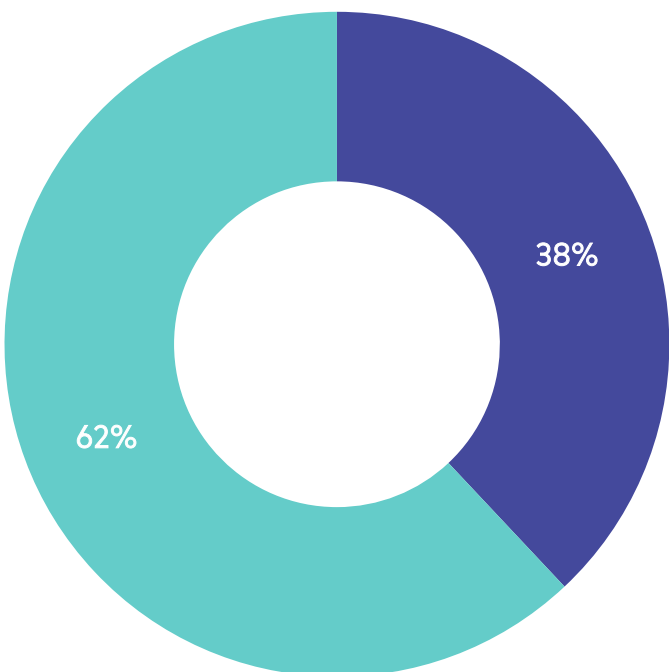
Our approach

- » Hands-on investors; board members of core portfolio companies, adding value via networks and expertise
- » Experienced management teams with strong investor syndicates to maximize potential
- » Investing £5-15m in funding rounds and limiting risk by typically tranching investments to pre-agreed milestones
- » Disciplined capital approach to funding and valuation of companies

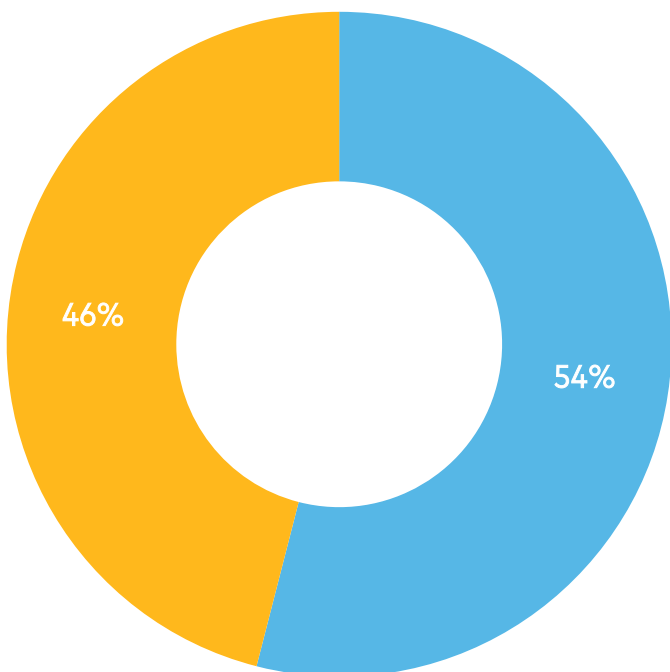
CORE PORTFOLIO IS WELL DIVERSIFIED ACROSS DISEASE AREAS AND STAGE OF DEVELOPMENT



■ Oncology ■ Genetic diseases ■ Immunology ■ Rare Disease



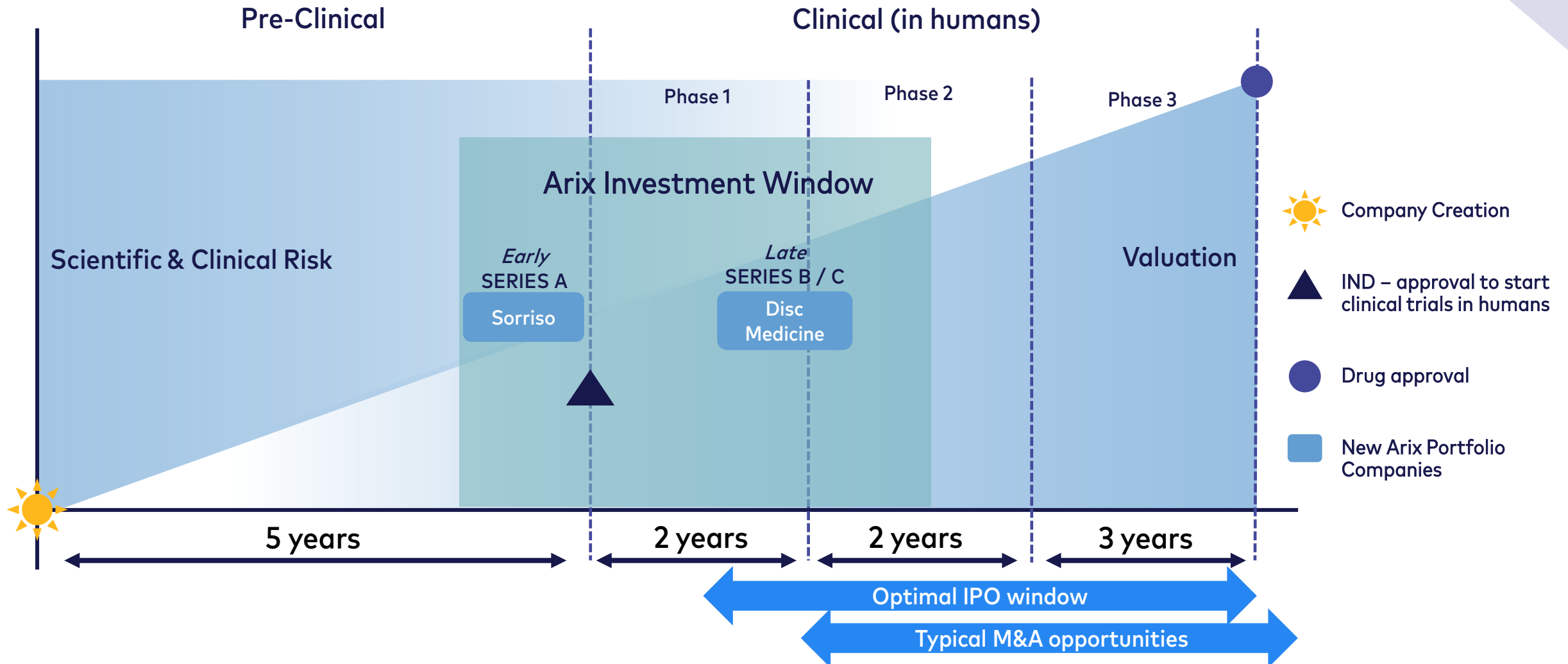
■ Pre-clinical ■ Clinical



■ Listed ■ Unlisted

INVESTMENT CYCLE

Strategy designed to give investors access to early stage biotech companies with risk adjusted returns



NEW INVESTMENT: **disc**medicine



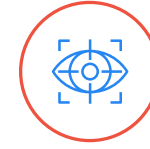
Source and investment rationale

- » Clinical-stage developing platform of drugs for patients with hematologic disorders ranging from severe orphan conditions to widely prevalent diseases
- » John Quisel, CEO, former CBO of Acceleron, acquired by Merck for over \$11bn in 2021



Investment

- » Arix invested \$11M in the \$90M Series B round in September 2021
- » The financing was led by OrbiMed with participation from Janus Henderson Investors, 5AM Ventures, Rock Springs Capital, Nantahala Capital Management, Willett Advisors, and Alexandria Venture Investments
- » Arix holds a Board seat



Vision and next steps

- » Funding will enable Disc Medicine to advance its clinical programmes across multiple hematologic diseases
- » DISC-0974 is currently being studied in a phase 1 clinical trial of healthy volunteers, and the company expects to report data later this year
- » Bitopertin, a phase 2 ready asset, will enter clinical trials this year
- » The Arix team will work to support Disc as they expand clinical development of their programs

NEW INVESTMENT:



Source and investment rationale

- » Developing a pipeline of disease-modifying antibodies for the treatment of inflammatory disease, such as Crohn's and ulcerative colitis
- » Unique approach combines the strong clinical impact of antibody therapeutics with the benefits of oral administration, resulting in targeted activity, negligible systemic exposure and minimal immunogenicity.
- » Company led by Ciara Kennedy, former CEO of Arix portfolio company Amplyx, which was acquired by Pfizer in 2021



Investment

- » Arix co-led the Series A committing £9.8m in the \$31m round in December 2021
- » Arix co-led the round with New Enterprise Associates, Inc.
- » Arix holds a Board seat and a Board Observer position



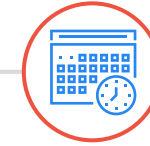
Vision and next steps

- » Funding will enable Sorriso to advance SOR102, a treatment for IBD, into clinical trials and advance its early-stage pipeline through preclinical development
- » Expected to file IND to enter the clinic in the next 12 months
- » The Arix team will work to support Sorriso as they move from pre-clinical development into clinical trials and further develop the platform

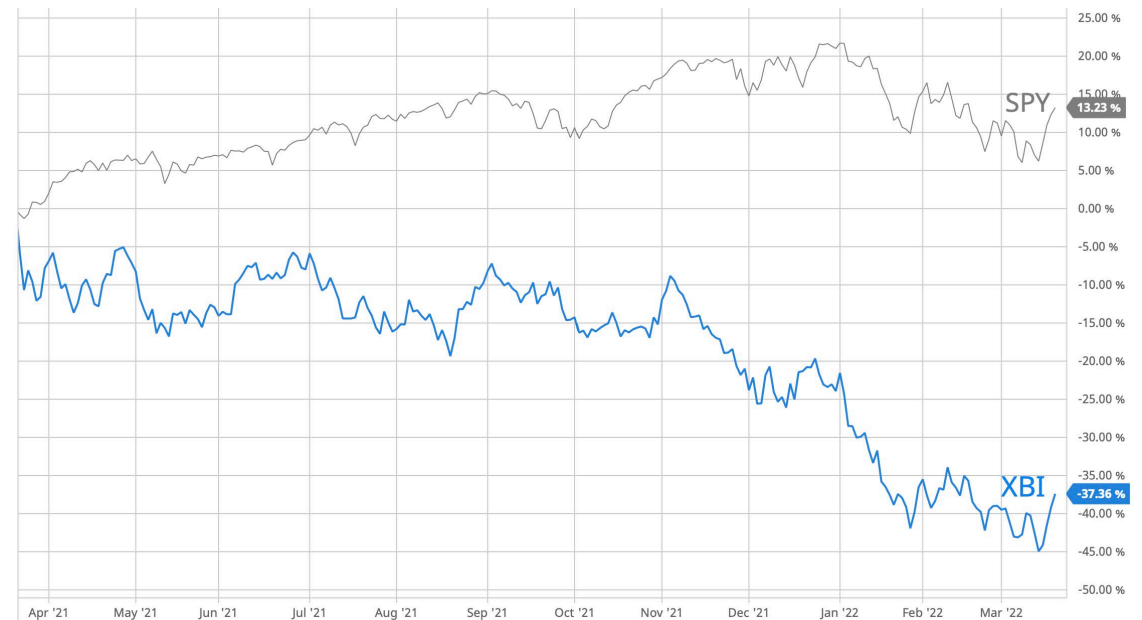
PUBLIC OPPORTUNITIES PORTFOLIO

Taking advantage of opportunities in the public markets

- » Disconnect between depressed public valuations vs elevated private valuations presents opportunities in public markets
- » This has resulted in a rich pool of companies pursuing innovative therapies trading at valuations below cash reserves or with negative enterprise values.
- » Taking advantage of the prevailing conditions in public markets to optimise return potential, we have created a Public Opportunities Portfolio
- » Arix will deploy 5-10% of NAV into small positions to participate in the undervalued growth potential the sector has to offer, sitting alongside our core, venture portfolio.
- » Focus on highly de-risked opportunities: well funded, clinical-stage biotech companies, trading at negative enterprise value or close to an equivalent of cash reserves, with expected clinical milestones over the next 6 to 18 months



S&P 500 vs. S&P Biotech ETF (last 12 months)



Source: Barchart.com














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PORTFOLIO UPDATE

PORTFOLIO COMPANY OVERVIEW

Breakdown of Core Portfolio to date*

Portfolio Company	Therapeutic Area	Company Stage	Structure	Date of Arix Investment	Expected Milestone	Owned** %	Value*** £m
	Oncology	Phase 1	Private	Sep '16	Safety data	8.8%	24.9
	Immunology	Phase 3 (clinical hold)	Private	Dec '17	Wind-down	6.4%	-
	Oncology	Phase 2	NASDAQ	Dec '17	Efficacy data	5.5%	20.0
	Genetic Disease	Product development	Private	Jul '16	Proof-of-application	21.4%	7.8
	Oncology	Phase 1/2	NASDAQ	May '17	Efficacy data	6.7%	12.2
	Rare Disease	Phase 2	NASDAQ	Mar '19	Wind-down	8.9%	3.9
	Genetic Disease	Phase 1/2 (clinical hold)	NASDAQ	Jun '17	FDA decision	8.9%	4.9
	Oncology	Preclinical	Private	Sep '19	IND filing	17.8%	2.9
 TWELVE.BIO	Genetic Disease	Preclinical	Private	Mar '21	<i>in vivo</i> POM	49.0%	3.8
	Haematology	Phase 1	Private	Sep '21	Safety/efficacy data	4.2%	8.1
 SORRISO	Immunology	Preclinical	Private	Dec '21	IND filing	26.0%	5.9








* Excludes Autolus and Pyxis with positions being exited post year-end

** Fully diluted reflects the shareholding inclusive of unvested and unexercised share options

*** Numbers at 31 December 2021

CLINICAL AND OPERATIONAL PROGRESS MADE THROUGH 2021 AND TO DATE

Company Therapeutic Area Update

	Anti-infectives	<ul style="list-style-type: none"> > Acquired by Pfizer following strong Phase 2 data in invasive fungal infections > £5.2m to proceeds to Arix (1.1x return). Further milestone payments may be received, which Arix values at £1.2m on a risk-adjusted basis.
	Oncology	<ul style="list-style-type: none"> > Progress reported across several programs in the TriTAC T cell engager pipeline > Advanced Phase 1/2 trial for HPN328 in small cell lung cancer > In March 2022, Harpoon announced discontinuation of HPN424, Orphan Drug designation for HPN328 in small cell lung cancer and Fast Track designation for HPN217 in relapsed, refractory multiple myeloma
	Oncology	<ul style="list-style-type: none"> > Transitioned to a clinical stage company, initiating a Phase 1/2 trial for both its ATR inhibitor (ART0380) and Polθ inhibitor (ART4215) in advanced or metastatic solid tumours > Preliminary Ph1a data with ART0380 demonstrated a predictable safety profile and initial signs of clinical activity supporting Ph1b initiation > Signed strategic collaboration with Novartis (\$20m upfront*) to identify DDR targets to use with Novartis' RLT therapies > Raised £110m Series C in July '21, with Arix retaining its position as the largest shareholder in Artios
	Genetic diseases	<ul style="list-style-type: none"> > First close of Series A supported by new and existing investors; Arix invested £2.4m to retain a 21.4% stake > Depixus expects to complete the Series A in H2 2021. Depixus closed its €30.6m (£26.1m) Series A financing in late 2021
	Rare Disease	<ul style="list-style-type: none"> > Executed an exclusive license from Roche for bitopertin, a Ph2-ready clinical asset > IND accepted for DISC-0974 and Ph1 study initiated in July '21
	Oncology	<ul style="list-style-type: none"> > Aura IPO'd on Nasdaq IPO raising gross proceeds of \$75.6M > Presented positive final Ph1b/2 data for AU-011 with intravitreal administration > Presented interim Ph2 safety data for AU-011 with suprachoroidal administration demonstrating favorable safety
	Immunology	<ul style="list-style-type: none"> > Completed \$31m Series A round to advance their pipeline of disease-modifying antibodies for the treatment of inflammatory diseases

*Up to \$1.3bn in discovery, development, regulatory and sales-based milestones in addition to royalty payments













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OUTLOOK

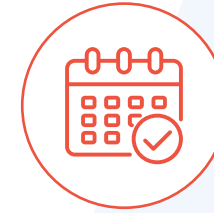
MULTIPLE UPCOMING PRE CLINICAL AND CLINICAL CATALYSTS

A rich and diversified portfolio to maximise potential returns

Company	Programme/Indication	Current Status	Next 12 Months
CLINICAL			
	AU-011 - choroidal melanoma (SC)	Phase 2	Final Ph2 safety and efficacy data
	AU-011 - choroidal melanoma (IVT)	Phase 2	Ph1b/2 data and select treatment regimen for select pivotal study design
	ART0380 - Advanced or metastatic solid tumours	Phase 1	Complete Ph1 dose escalation
	ART4215 - Advanced or metastatic solid tumours	Phase 1	Interim Ph1 safety data
	DISC-0974 - anemias	Phase 1	Ph1 SAD data (healthy volunteers) and initiation of Ph1b/2a trial
	Bitopertin - Erythropoietic porphyria	Phase 2-ready asset	Initiation of Ph2 trial and presentation of interim Ph2 data in 2H '22
	HPN536 - ovarian and pancreatic cancer	Phase 1/2a	Ph1/2a data presentation and selection of RP2D
	HPN217 - multiple myeloma	Phase 1/2	Ph1/2 data presentation and selection of RP2D
	HPN328 - small cell lung cancer	Phase 1/2	Ph1/2 data presentation and selection of RP2D
PRE-CLINICAL			
	AU-011 - Non-muscle invasive bladder cancer	Pre-Clinical	Ph1 initiation in 2H '22
	DDR nuclease inhibitors - Oncology	Pre-Clinical	Ongoing partnership with Merck KGaA
	RLT sensitisers - Oncology	Pre-Clinical	Ongoing partnership with Novartis
	ABBV-189 - Oncology	Pre-Clinical	Ongoing Partnership with Abbvie
	HPN601 - EpCAM/GI cancers	Pre-Clinical	IND filing in 2H '22
	Matriptase-2 inhibitor - hepcidin-dependent diseases	Pre-Clinical	To be announced
	SOR102 - Inflammatory bowel disease	Pre-Clinical	IND-enabling studies with anticipated IND filing by Q1 2023
	SOR104 - T-cell driven inflammatory diseases	Pre-Clinical	Completion of pharmacology studies in 2022
	ST317 - Solid tumours	Pre-Clinical	IND-enabling studies with anticipated IND filing by Q1 2023
Public Opportunities Portfolio	Indications across a number of therapeutics areas	Ranging from Phase 1 - Phase 2	Multiple readouts expected

SUMMARY AND TARGETS

- » Significant capital pool and investment pipeline; well positioned to expand the portfolio providing opportunities for significant returns
- » Lean cost base; annual net costs expected to be at or below 2% of NAV in normal market conditions
- » Diverse portfolio of disruptive biotech companies; multiple anticipated near to mid-term milestones with potential to deliver significant value
- » Strong networks; allowing us to seek out the best investment opportunities and create value for shareholders



Rolling 36 Month Goals

- » Double digit % NAV Per Share Growth
- » ≥ 2 Additional IPOs
- » ≥ 2 Successful Exits



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Q&A



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THANK YOU

Contact:
ir@arixbioscience.com

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APPENDIX

SUCCESSFUL EXIT: VelosBio



The Opportunity

- » Oncology company developing **novel antibody-drug conjugates** to treat hematological cancers and solid tumours
- » **Highly regarded management team** led by CEO Dave Johnson and CMO Langdon Miller
- » **First-in-class science** with potential for profound therapeutic benefit



The Investment

- » Arix co-led the Series A financing with Sofinnova Ventures, investing **\$11m in October 2018**
- » Mark Chin **joined the Board** and was instrumental in shaping the company's financing and development strategy
- » In July 2020 completed an oversubscribed Series B financing of \$137M to **fund clinical development** with a further \$4m invested by Arix

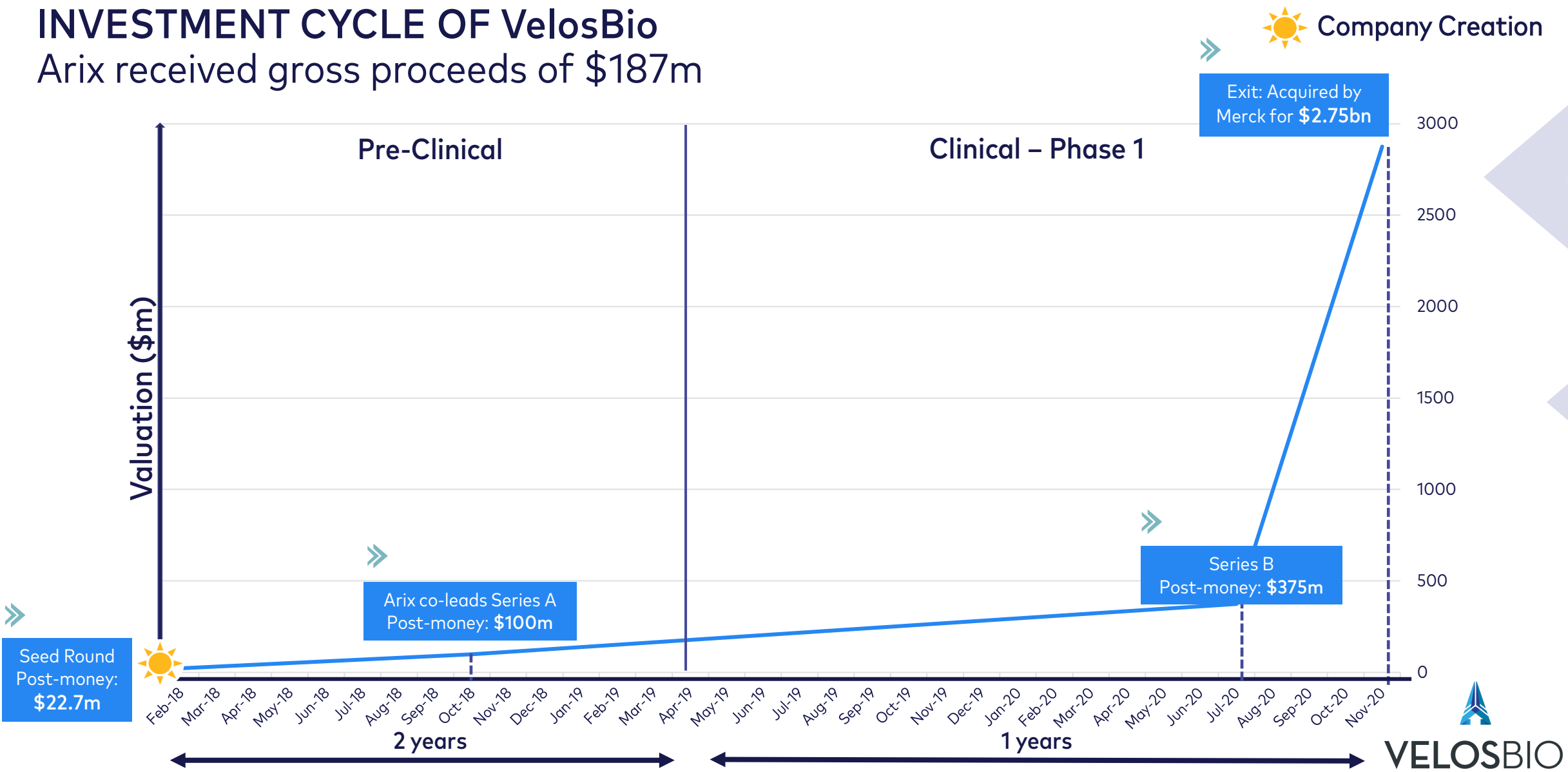


The Exit

- » **Acquired by Merck & Co for \$2.75bn** in December 2020
- » Generated gross proceeds of **\$187M**
- » **12.5x** return on original investment of **\$15M** and an **IRR of 328%**

INVESTMENT CYCLE OF VelosBio

Arix received gross proceeds of \$187m



FINANCIAL REVIEW

NAV of £255m (198p); capital pool of £134m

Portfolio Company	Ownership* %	1 Jan 2021 Value £m	Investment in Period £m	Realisations in Period £m	FX Movement	Change in Valuation £m	Impairment £m	31 Dec 2021 Value £m	Committed, not yet invested £m	% of Gross Portfolio
Core Portfolio										
<u>Listed on NASDAQ</u>										
Aura	5.5%	8.8	3.6	(1.5)	0.3	8.8	-	20.0	-	16.9%
Pyxis Oncology	5.3%	-	14.5	-	0.4	-	-	14.1	-	11.9%
Harpoon	6.7%	26.9	1.1	(1.7)	(0.2)	(13.9)	-	12.2	-	10.3%
LogicBio	8.9%	16.1	0.5	(0.2)	(0.0)	(11.5)	-	4.9	-	4.1%
Imara	8.9%	22.2	5.8	(4.0)	(0.0)	(20.1)	-	3.9	-	3.3%
Autolus	0.7%	21.9	-	(14.2)	(0.4)	(5.4)	-	1.9	-	1.6%
<u>Unlisted</u>										
Artios	9.9%	19.0	6.3	-	-	(0.4)	-	24.9	-	21.1%
Disc Medicine	4.2%	-	8.0	-	0.1	-	-	8.1	-	6.9%
Depixus	21.4%	4.2	2.4	-	(0.4)	1.6	-	7.8	-	6.6%
Sorriso	26.0%	-	6.0	-	(0.1)	-	-	5.9	3.7	5%
TwelveBio	49.0%	1.4	2.2	-	(0.2)	0.4	-	3.8	-	3.2%
STipe	17.8%	2.0	1.0	-	(0.2)	0.1	-	2.9	1.9	2.5%
Amplix	-	4.7	-	(5.3)	(0.1)	1.9	-	1.2	-	-
Velos Bio	-	2.2	-	(2.5)	(0.1)	0.4	-	-	-	-
Atox Bio	6.4%	5.9	-	-	(0.0)	-	(5.9)	-	-	-
Quench	-	8.0	-	(0.8)	(0.1)	(7.1)	-	-	-	-
Other Public Market Investments										
GenSight (Euronext)	2.9%	7.1	7.4	(6.2)		1.4	-	6.3	-	
Legacy Assets	-	1.6	0.4	(2.7)	(0.0)	1.0	-	0.3	-	-
Gross Portfolio	-	152.0	59.2	(39.1)	(1.5)	(46.5)	(5.9)	118.2	-	100%
Other Interests	-	2.4	-	-	-	-	-	2.4	-	-
Total Investments		154.4	59.2	(39.1)	(1.5)	(46.5)	(5.9)	120.6	5.6	

*Fully diluted reflects the shareholding inclusive of unvested and unexercised share options

GLOSSARY OF ABBREVIATIONS

»»	ADC	Antibody drug conjugate
»»	NDA	New drug application
»»	IBD	Inflammatory Bowl Disease
»»	DDR	DNA damage response
»»	NAV	Net asset value
»»	GPV	Gross portfolio value
»»	IND	Investigational new drug
»»	Ph1	Phase 1 Trial – studies the safety of drug
»»	Ph2	Phase 2 Trial – studies the efficacy of drug
»»	Ph3	Phase 3 Trial – studies the safety, efficacy & dosing

