

A close-up photograph of a female scientist with dark hair tied back, wearing a white lab coat and blue safety goggles. 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 partially obscured by a white diagonal shape on the left side, which contains the text.

ARIX

**INVESTING IN LIFE
CHANGING INNOVATION**

**ARIX BIOSCIENCE PLC (LSE:ARIX)
ANNUAL RESULTS 2020**

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2020 HIGHLIGHTS; PIVOTAL PERIOD VALIDATING THE ARIX MODEL

PERFORMANCE



➤ 62% increase in NAV to £328m (242p per share)

➤ First strategic exit delivers 12x return / 320% IRR

➤ 106% Total Shareholder Return

➤ 32% gross portfolio IRR from inception to date

CAPITAL



➤ £25m deployed in period

➤ £158m realised in period

➤ Annual net costs down to within 2% of NAV

➤ £174m capital at 31 Dec 2020

PORTFOLIO



➤ Increasing momentum across portfolio:

➤ \$580m raised by portfolio companies in the period

➤ New company, Twelve Bio, founded

➤ Multiple data readouts and clinical trial initiations



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STRATEGY RECAP

“

Our goal is to make a tangible difference to patients' lives and generate superior returns for investors, by investing in a focused portfolio of innovative biotech companies addressing areas of unmet need in healthcare.

**NASEEM AMIN,
EXECUTIVE CHAIRMAN**

”

OUR MODEL

LEVERAGING DEEP AND BROAD EXPERTISE IN BIOTECHNOLOGY TO CREATE VALUE

DISCOVER



Identifying high impact innovation in areas of unmet need

Access to the best global opportunities through unique platform and networks:

- > Arix team
- > Arix Scientific Advisory Board
- > Pharma partners
- > VC networks
- > Academic networks

DE-RISK



Rigorous evaluation & disciplined capital allocation

- > Extensive due diligence on new and follow on investments; utilising team expertise, pharma partners, SAB and KOL networks
- > Co-invest with top tier VC investors
- > Investments tranchised to pre approved milestones
- > ~2/3 capital deployed into later stage assets (Series B and upwards)

DEVELOP



Hands on approach to drive growth

- > Active lead/co-lead investor in private companies with board representation
- > Hands on approach; position our companies for growth and clinical success
- > Experience to navigate scientific and commercial hurdles, mitigating risk for our shareholders

DELIVER

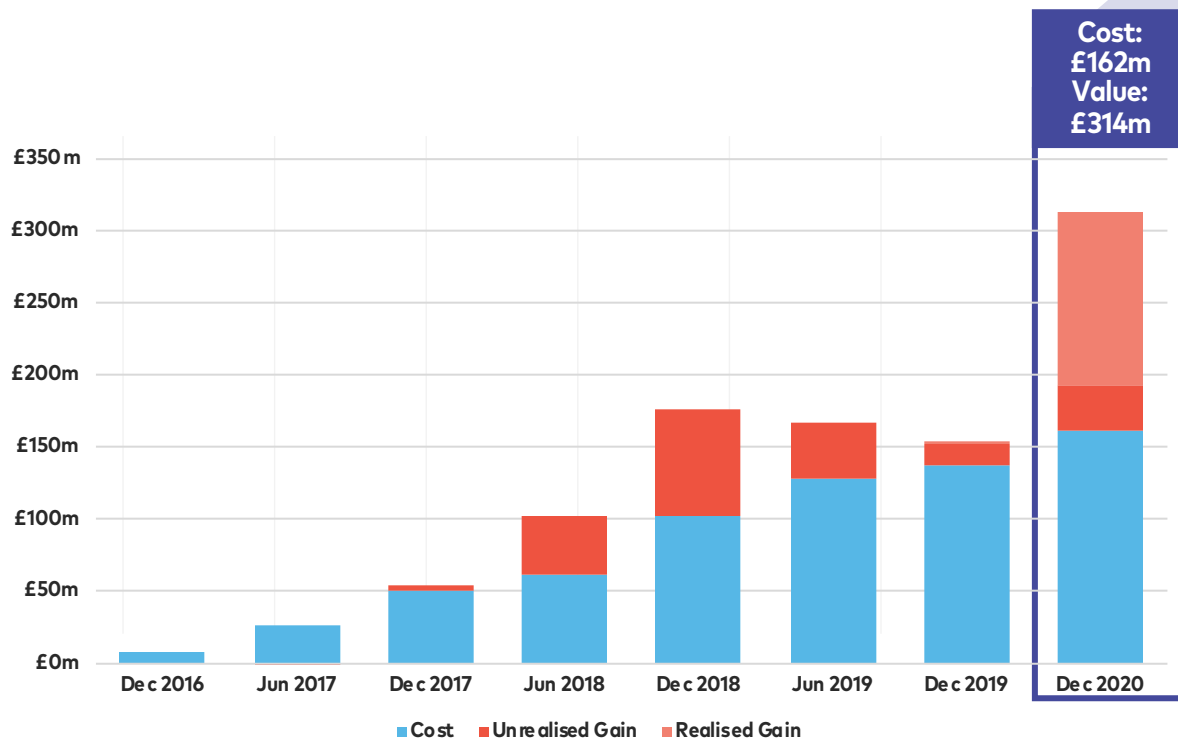


Transformative treatments; strong risk adjusted returns

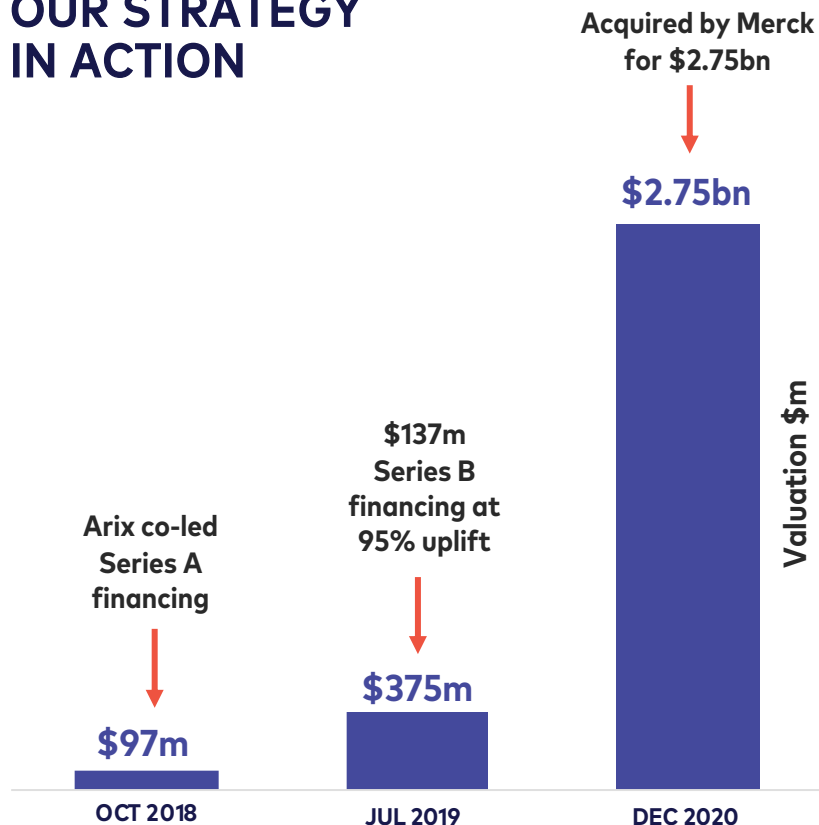
- > Derive value from growth of portfolio companies through M&A, IPO or equity sale
- > Portfolio positions will be realised as appropriate and consistent with our focus on risk adjusted returns for our shareholders
- > Targeting 15% - 25% IRR per year

THIS APPROACH HAS GENERATED SIGNIFICANT GROWTH IN PORTFOLIO VALUE

- » Capital deployed into portfolio: **£162m**
- » Portfolio value (realised and unrealised): **£314m**
- » **32% IRR** generated since inception
- » **£167m** realised proceeds



OUR STRATEGY IN ACTION



» Investment rationale

- Team of serial entrepreneurs and drug developers
- First-in-class science with potential for profound therapeutic benefit in both haematological cancers and solid tumours

» Investment period (2018-2020)

- Sourced through Arix's strategic partner Takeda Ventures (seed investors in Velos)
- Arix co-led \$58m Series A with Sofinnova Ventures; Arix invested £8.6m for an 11% stake and took a board seat
- Raised \$137m in oversubscribed Series B crossover round in July 2020; Arix invested further £3.2m

» Exit (Nov 2020 - Dec 2020)

- Acquired by Merck for \$2.75bn in cash returning £139m proceeds to Arix (12x; 320% IRR)

SIGNIFICANT OPERATIONAL PROGRESS MADE THIS YEAR



Right sized organisation, taking £3m of net cost out of the business



New independent SAB appointed, further strengthens team expertise



Realised £158m of capital through first strategic exit and active management of public assets



106% TSR in the period; share price discount to NAV significantly reduced



Strengthened corporate governance with appointment of SID and two new NEDs

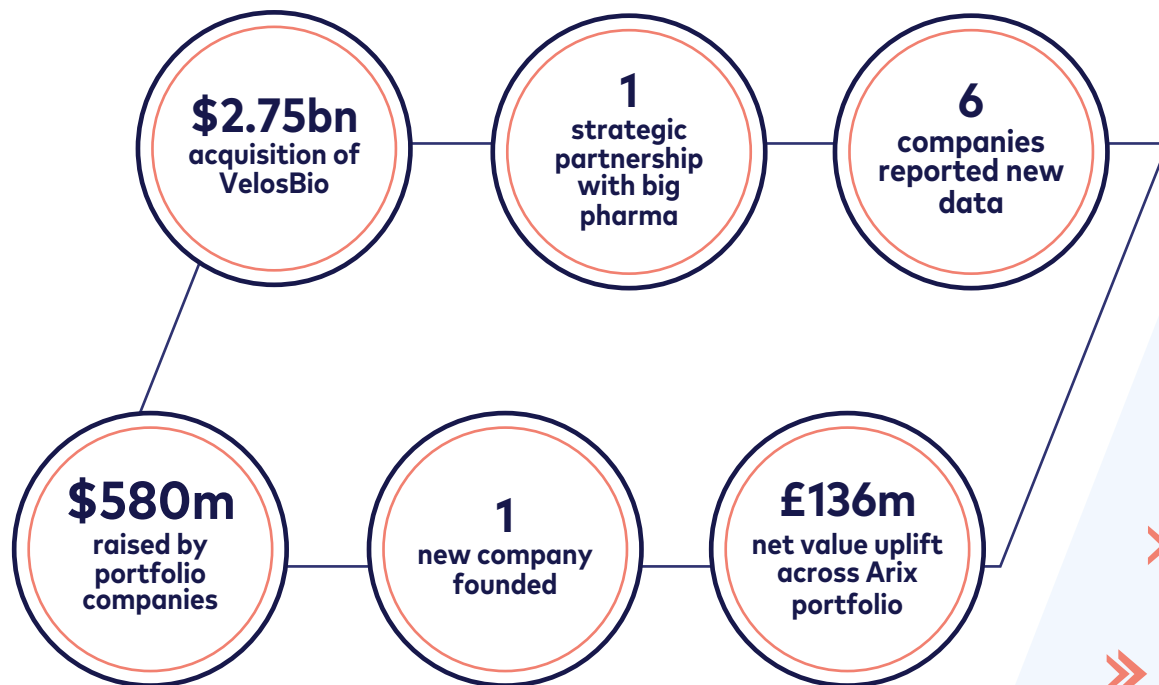




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PORTFOLIO UPDATE

STRONG PROGRESS ACROSS PORTFOLIO IN 2020



- » VelosBio acquired by Merck & Co for \$2.75bn representing a 12x return and 320% IRR in 2 years
- » \$580m raised by portfolio companies, notably Imara completed a Nasdaq IPO
- » Strong clinical progress across portfolio; data delivered in Aura, AtoxBio, Amplyx, Autolus, Harpoon, Imara and multiple trial initiations
- » Strategic collaboration between Artios and Merck KGaA
- » New portfolio company, Twelve Bio, founded

FOUNDATION OF NEW GENE EDITING COMPANY



TWELVE.BIO



Source and investment rationale

- » Arix approached by Bio-Innovation Institute (Copenhagen) to provide seed capital and build the company
- » Innovative and differentiated gene editing technology and a high calibre founding scientific team



Investment

- » Arix worked closely with the academic founders for several months to refine the business plan and budget for a Seed round
- » £3.6m seed commitment; tranching to pre-agreed milestones (£1.4m invested to date)
- » 49% ownership stake when fully committed; Arix is the sole investor
- » 2 Board seats, including Chair

































































Vision and next steps

- » A gene editing toolbox to target a wide range of genetic disorders and to provide tailored and safe molecules to help patients suffering from incurable diseases
- » Seed financing will allow the company to expand the scientific team and to continue development of their technology
- » The Arix team will work closely with Twelve Bio as it builds out its operations and management team





BROAD AND RICH CLINICAL PIPELINE PROVIDES MULTIPLE 'SHOTS ON GOAL'

Key

 = stage completed
 = stage in progress

Company	Programme	Indication	Discovery	Pre-clinical	Phase 1	Phase 2	Phase 3
 AtexBio	Reltecimod	Necrotising soft tissue infection					
 amplixx	APX001	Invasive candidiasis					
 Autolus	AUTO1	Adult ALL					
 imara	IMR-687	sickle cell disease					
 imara	IMR-687	TDT β -thalassemia					
 imara	IMR-687	NTDT β -thalassemia					
 aura	AU-011	Choroidal melanoma					
 aura	AU-011	Choroidal melanoma					
 amplixx	APX001	Candida auris					
 amplixx	APX001	Invasive aspergillosis					
 amplixx	MAU868	BKV-associated nephropathy					
 amplixx	MAU868	BKV-associated haemorrhagic cystitis					
 HARPOON	HPN424	Prostate cancer					
 HARPOON	HPN536	Ovarian and pancreatic cancer					
 HARPOON	HPN217	Multiple myeloma					
 HARPOON	HPN328	Small cell lung cancer					
 Autolus	AUTO1/22	Paediatric ALL					
 Autolus	AUTO3	Diffuse large B cell lymphoma					
 Autolus	AUTO4	Peripheral T Cell lymphoma					
 Autolus	AUTO1	Non-Hodgkin lymphoma					
 artios	ART0380	Advanced or metastatic solid tumours					
Multiple undisclosed additional pre-clinical programmes							

MULTIPLE CLINICAL CATALYSTS EXPECTED IN 2021

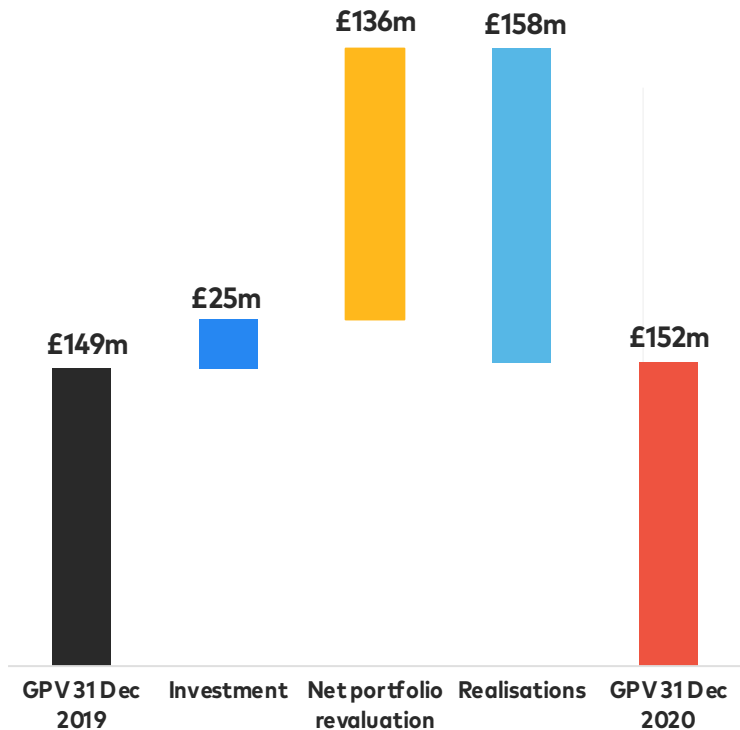
	PORTFOLIO CO	PROGRAMME	INDICATION	2021 EXPECTED MILESTONES
 REGULATORY	ATOX BIO	Reltecimod	Necrotising soft tissue infection	FDA decision on NDA (PDUFA date: 30 Sep 2021)
 CLINICAL DATA	HARPOON	HPN424	Prostate cancer	Ph1/2a data
		HPN536	ovarian and pancreatic cancer	Ph1/2a data
		HPN217	multiple myeloma	Ph1/2a data
		HPN328	Small cell lung cancer	Ph1/2a data
	AURA	AU-011	Choroidal melanoma (IVT)	Ph2 data
		AU-011	Choroidal melanoma (SC)	Ph2 data
	AMPLYX	APX001	Candida auris	Ph2 data
		APX001	Invasive aspergillosis	Ph2 data
		MAU868	BKV-associated nephropathy	Ph2 data
	IMARA	IMR-687	Sickle cell disease	Ph-2b interim data
		IMR-687	TDT β-thalassemia	Ph-2b interim data
		IMR-687	NTDT β-thalassemia	Ph-2b interim data
AUTOLUS	AUTO1	adult ALL & NHL	Ph1 data	
	AUTO1/22	Paediatric ALL	Ph1 data	
	AUTO3	Diffuse large B cell lymphoma	Ph1 data; intend to partner	
 CLINICAL TRIAL INITIATIONS	AUTO4	TRBC1+ Peripheral T Cell Lymphoma	Ph1 data	
	LOGICBIO	LB-001	Methylmalonic acidemia	Ph 1 start
	ARTIOS	ART0380	Advanced or metastatic solid tumours	Initiate Phase 1 
		ART4215 (Pol Theta)	Cancer	Ph 1 start
	AMPLYX	APX001	Invasive candidiasis	Ph 3 trial start
	AUTOLUS	AUTO 1	Primary CNS Lymphoma	Ph1 start
		AUTO6 NG	Neuroblastoma; Osteosarcoma; SCLC	Ph1 start
		AUTO5	TRBC2+ Peripheral TCL	Ph1 start
AUTO8		Multiple Myeloma	Ph1 start	
		ALLO programme	undisclosed	Ph1 start



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FINANCIAL UPDATE

PERFORMANCE IN THE PERIOD



NAV £328m
(242p per share) – 62% increase
in the year

» **£25m**
invested in the period

» **£136m**
net uplift in valuation of
portfolio companies

» **£158m**
realised in the period

» **£152m**
Gross Portfolio Value (FY2019: £149.2m)

» **£174m**
cash at 31 December 2020

FINANCIAL REVIEW

NAV of £328m (242p); capital pool of £174m

Portfolio Company`	Ownership** %	31 Dec 2019 Value £m	Investment in Period £m	Realisations in Period £m	Change in Valuation**** £m	31 Dec 2020 Value £m	Funding Committed, Not Yet Invested £m	% of NAV
Life science portfolio								
Harpoon	6.9%*	28.9	0.1	(6.6)	4.5	26.9	-	8%
Imara	5.8%*	10.7	4.5	(3.2)	10.2	22.2	-	7%
Autolus	1.6%*	33.8	-	-	(11.9)	21.9	-	7%
Artios	12.4%	15.2	-	-	3.8	19.0	-	6%
LogicBio	9.1%	16.3	2.3	(3.6)	1.1	16.1	-	5%
Aura	7.9%	8.3	0.7	-	(0.2)	8.8	0.5	3%
Quench***	21.7%	6.5	0.9	-	0.6	8.0	3.5	2%
AtoxBio	6.4%	5.0	1.2	-	(0.3)	5.9	-	2%
Amplix	3.0%	4.9	-	-	(0.2)	4.7	-	1%
Depixus	20.7%	2.0	0.2	-	2.0	4.2	-	1%
VelosBio	-	5.5	6.7	(138.7)	128.7	2.2	-	1%
STipe	19.8%	1.9	-	-	0.1	2.0	3.1	1%
Twelve Bio	49.0%	-	1.4	-	-	1.4	2.2	1%
Public healthcare investments								
GenSight	4.3%*	-	5.1	-	2.0	7.1	-	2%
Legacy Assets	N/A	10.2	1.5	(5.4)	(4.6)	1.7	-	1%
Gross Portfolio Value		149.2	24.6	(157.5)	135.8	152.1	9.3	46%

* Reflects changes to ownership percentage since 31 December 2020 due to company capital raisings and/or market transactions

** Percentage holdings reflect Aris's ownership stake at the point full current commitments are invested; shareholdings on a fully diluted basis for private companies; on a shares outstanding basis for public companies

*** Decision taken to wind down Quench Bio in March 2021. Expected proceeds to Aris from wind down expected to be \$0.5m-\$1.0m.

****Includes FX and capitalisations

STRONG FINANCIAL POSITION

STRATEGIC CAPITAL POOL INCREASED TO £174M*



2-3 years cash runway

- Expect no tax due on Velos gain**
- £3m of net cost taken out of the business in 2020
- Ongoing annual net costs to be at or below 2% of NAV



Current portfolio

- Flexibility to support portfolio companies over the long term
- Multiple financings anticipated across portfolio



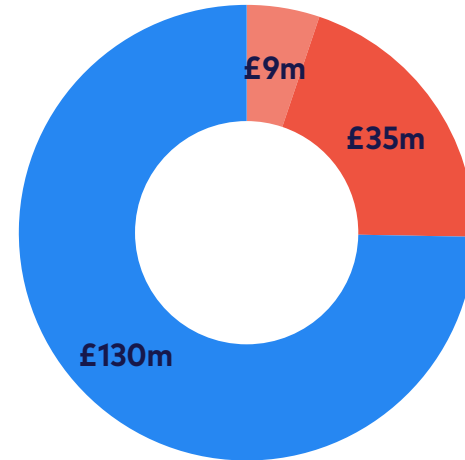
New investments

- Strong pipeline of new investment opportunities
- High conviction approach; ability to take larger ownership stakes



Authority to purchase up to 10% of issued share capital

- Continued to keep use of cash share price discount under review



■ Committed ■ Reserved ■ Available



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SUMMARY AND OUTLOOK

OUTLOOK

» Active managers with proven track record of value creation; generated significant IRR through first strategic exit, active management of public assets, disciplined capital allocation and risk management

» Significant capital pool; provides flexibility to invest over long term and deploy capital into new opportunities

» Diverse maturing portfolio of disruptive biotechs; multiple anticipated near-mid term milestones with potential to deliver significant value

» Unconstrained investment approach allowing us to seek out the best opportunities globally and optimally create value



On track to hit 2023 targets

» £500m NAV

» ≥2 Exits

» ≥2 Additional IPOs

» 15% - 25% IRR



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Q&A

Dial in: +44 (0)330 336 9125

Conference ID: 8512261

WEBCAST



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APPENDIX

THE PORTFOLIO IS MATURING AND REACHING IMPORTANT CLINICAL MILESTONES

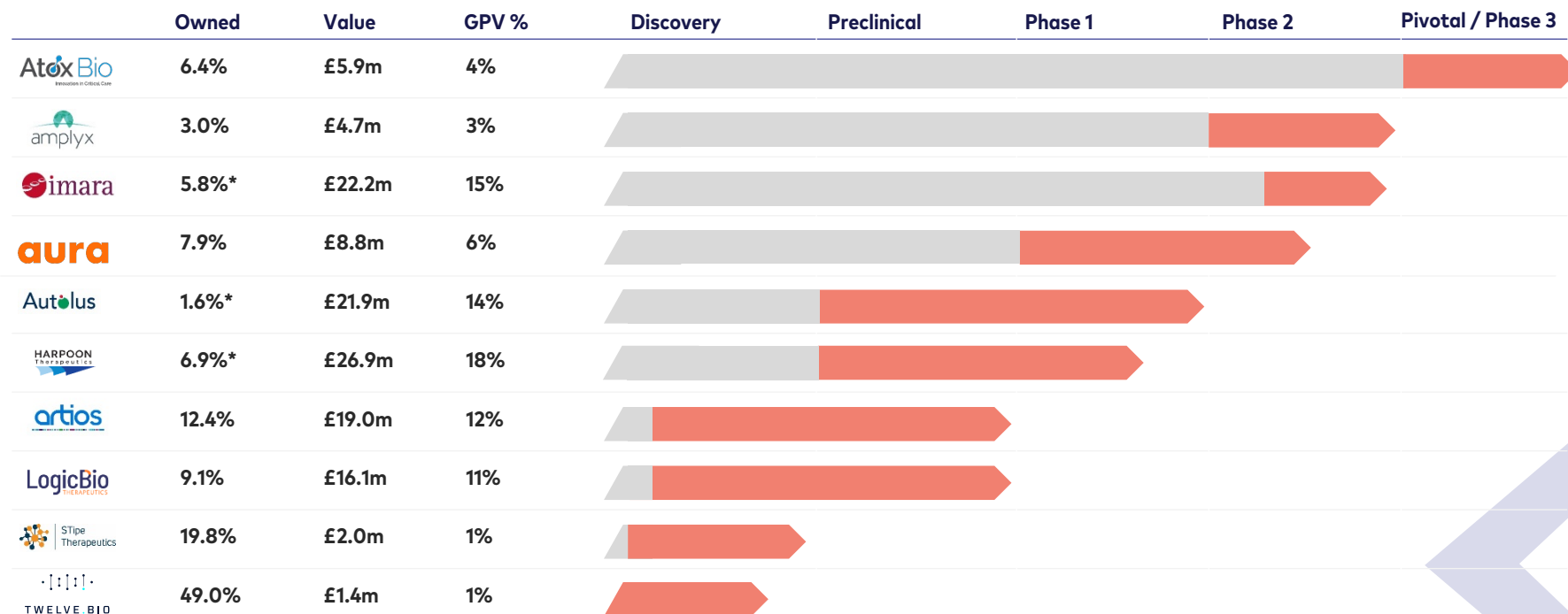


Diagram shows therapeutics companies only; Depixus not included



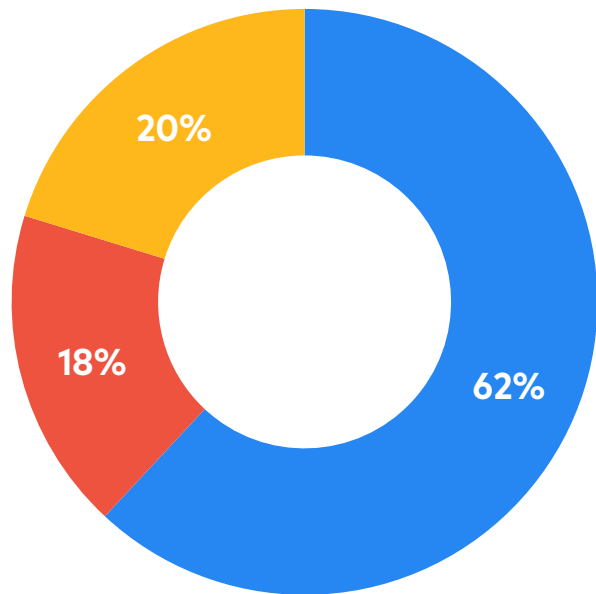
Prior to Arix investment



Progress since Arix investment

* Reflects changes to ownership percentage since 31 December 2020 due to company capital raisings and/or market transactions. All other numbers at 31 December 2020

ROBUST AND TRANSPARENT VALUATION POLICY



■ Quoted ■ Last Funding Round or Original Cost ■ Milestones

» **62%**
of the Gross Portfolio is in listed companies, valued at market prices

» **18%**
of the Gross Portfolio is valued by reference to the most recent third-party funding round, or the original cost of investment

» **20%**
of the Gross Portfolio is valued based on milestone progress (positive or negative)

INVESTMENT FOCUS RECAP



THERAPEUTIC FOCUS

High impact innovation; unconstrained by disease area



GEOGRAPHY

Global remit



TYPICAL STAGE OF INITIAL INVESTMENTS

1/3: Seed and Series A rounds

2/3: Mid-to-late stage venture rounds



TARGETED AVERAGE TIMELINE TO IPO/EXIT

Seed and Series A rounds: <5yrs

Mid-to-late stage rounds: 1-2 years



OWNERSHIP

Majority or minority



PORTFOLIO SIZE

High conviction approach; 10-15 companies



INVESTMENT SIZE

£5m-30m



SIGNIFICANT UPSIDE POTENTIAL ACROSS PORTFOLIO

» **FY2017:**

- 2 clinical trials
- NAV £146m

» **FY 2020:**

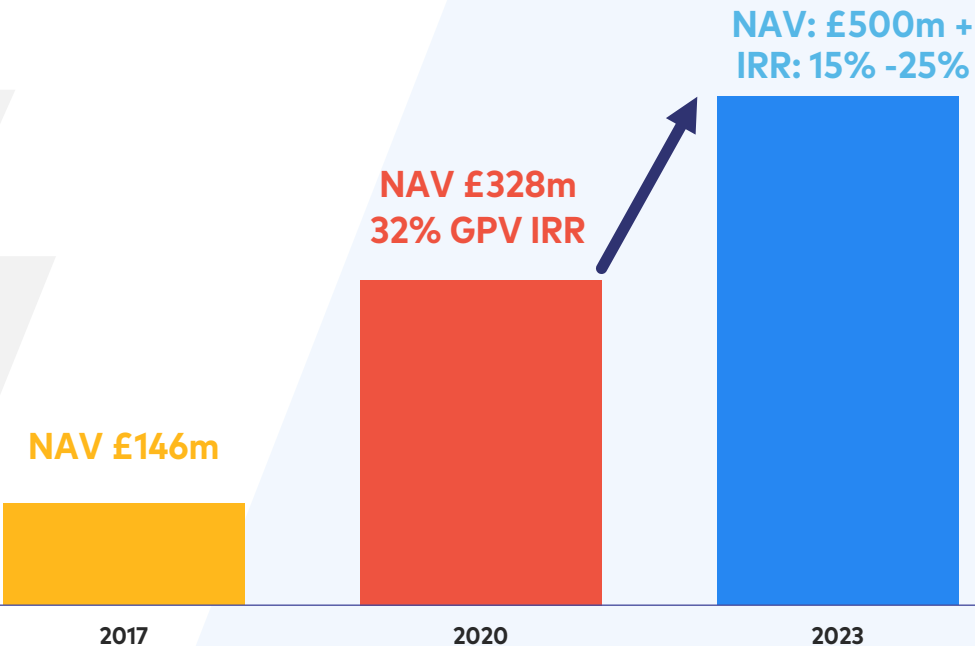
- 21 clinical trials
- NAV £328m
- 32% GPV IRR

» **FY 2023:**

- ≥2 additional IPOs
- ≥2 exits
- Target NAV: £500m
- Target IRR: 15% - 25%



Potential M&A, strategic partnerships and other financing events across portfolio



SIGNIFICANT REDUCTION TO COST BASE; FOCUS ON MAXIMISING TSR

£3m of net cost per annum taken out of business

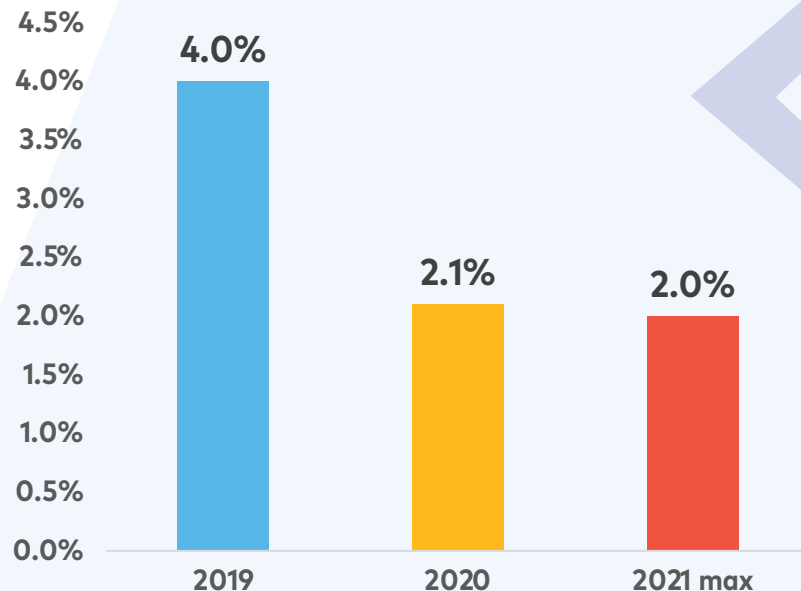
» **2019** net costs: £8.0m

» **2020** net costs: £6.8m
(including several one-off costs associated with changes implemented in April)

» **2021** net costs: < 2% of NAV



Arix Net Operating Costs as Percentage of NAV



GLOSSARY OF ABBREVIATIONS



» **ADC** Antibody drug conjugate

» **ALL** Acute lymphoblastic leukemia

» **BKV** BK viremia

» **DDR** DNA damage response

» **DLBCL** Diffuse large B-cell lymphoma

» **GPV** Gross portfolio value

» **IND** Investigational new drug

» **MM** Multiple myeloma

» **MMA** Methylmalonic acidemia

» **NAV** Net asset value

» **NDA** New drug application

» **NHL** Non-Hodgkin lymphoma

» **NTDT** Non transfusion dependent thalassemia

» **NSTI** Necrotising soft tissue infections

» **PDUFA** Prescription Drug User Fee Act*

» **SAB** Scientific Advisory Board

» **SCD** Sickle cell disease

» **SCLC** Small cell lung cancer

» **TCL** T cell lymphoma

» **TDT** Transfusion dependent thalassemia

* FDA's goal date for a decision on a new drug application



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THANK YOU

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