



## **Arix Bioscience Half Yearly Report for the Six Months Ended 30 June 2017**

*Transformative period with good progress across the business*

**LONDON, 31 July 2017:** Arix Bioscience plc (LSE:ARIX) ("Arix Bioscience", "Arix" or the "Company"), a global life sciences company supporting medical innovation, today announces its financial results for the six-month period ended 30 June 2017.

### **Highlights**

- Successful IPO on the Main Market of the London Stock Exchange in February 2017, raising £112 million of new proceeds to use in sourcing, financing and developing young businesses to address important areas of unmet medical need.
- Acquired direct interests in 5 new Arix Group Businesses, bringing the total portfolio to 10 Group Businesses
  - Led a \$65 million Series B investment round for Iterum, developing differentiated anti-infectives with its lead candidate entering Phase III trials; Arix has a seat on the Board
  - Co-led a \$45 million Series B investment round for Harpoon Therapeutics, developing a novel immuno-oncology antibody platform; Arix has a seat on the Board
  - Led a \$45 million Series B investment round for LogicBio, focused on breakthrough, disease-modifying gene therapies for orphan paediatric diseases; Arix has a seat on the Board
  - Participated in a \$20 million Series A investment round for Mitoconix Bio, developing novel treatments to improve mitochondrial function for neurodegenerative disorders including Huntington's, Parkinson's and Alzheimer's; Arix has a Board Observer role
  - After the period end, co-led a \$29 million Series A financing for PreciThera, developing novel biological therapeutics for orphan bone diseases; Arix has a seat on the Board
  - Encouraging progress in the development of existing Arix Group Businesses
    - Verona Pharma plc successfully listed on NASDAQ, raising c. \$80 million
    - Autolus, the T cell immunotherapy company focused on the treatment of cancer, is set to commence three clinical trials in multiple myeloma, non-Hodgkin's lymphoma and T cell lymphoma
    - Artios formed a Scientific Advisory Board comprising several leading experts in the field of DNA damage response, DNA genetics and drug discovery
    - Depixus awarded the Concours Mondial d'Innovation in France, in recognition of its leadership in scientific innovation
- Good progress in our strategic partnerships with Takeda and UCB Pharma, with a focus on developing new business opportunities in our areas of common therapeutic interest, and supported by the secondment to Arix of a senior UCB executive during the period
- Advanced the Company's partnership with the Max Planck Lead Discovery Center in Germany with experimental work underway around a promising new target in metabolic disease in collaboration with the University of Leeds
- Continued to build our close strategic partnership with BioMotiv in the US offering privileged access to a broad portfolio of promising academic programs and subsequent business building opportunities
- Strong and sustained pipeline of high quality opportunities: Arix accessed and reviewed over 700 potential opportunities over the past year
- Period-end cash balance of £108 million
- Capital Markets Day planned for 18 September in London at which a number of our Group Businesses will present their businesses

**Dr Joe Anderson, Chief Executive Officer of Arix Bioscience, commented:** *“I am pleased to report good progress on our goal of building interests in highly innovative young life sciences companies, adding five high quality Group Businesses to our portfolio since IPO.*

*“Looking ahead, we continue to see a rich pipeline of potential new opportunities to further build our portfolio, and will continue to actively support the development our 10 current Group Businesses. We look forward to our inaugural Capital Markets Day in London on 18 September 2017, at which the CEOs of a number of our Group Businesses will present on their progress.*

*“Led by our experienced team, Arix Bioscience is progressing its goals of advancing innovation in medicine for the benefit of patients and offering access to a high potential portfolio of young life science companies, for public shareholders.”*

**For further information please contact:**

**Arix Bioscience plc**

Joe Anderson, CEO  
+44 (0) 20 7290 1052

**Consilium Strategic Communications**

Mary-Jane Elliott, Jessica Hodgson, Ivar Milligan  
+44 (0)20 3709 5700  
arix@consilium-comms.com

**About Arix Bioscience plc**

Arix Bioscience plc is a global healthcare and life science company supporting medical innovation. Headquartered in London and with an office in New York, Arix Bioscience sources, finances and builds world class healthcare and life science businesses addressing medical innovation at all stages of development. Operations are supported by privileged access to breakthrough academic science and strategic relationships with leading research accelerators and global pharmaceutical companies.

Arix Bioscience plc is listed on the Main Market of the London Stock Exchange.  
For further information, please visit [www.arixbioscience.com](http://www.arixbioscience.com)

## CEO's Statement

### *A vote of confidence in the life science sector*

In February 2017, Arix Bioscience successfully listed on the Main Market of the London Stock Exchange, raising £112 million of new proceeds from a range of blue-chip institutional investors, wealth managers, numerous private individuals and two leading pharmaceutical companies, Takeda and UCB Pharma. Combined with the £52 million of private funding we secured in February 2016, we were able to launch Arix Bioscience as a source of permanent capital for innovative life science companies seeking to bring new medicines to market for the benefit of patients. Many important breakthroughs in medicine today originate in academic centres and small companies and Arix was formed to help accelerate development here by providing stable, long-term capital, along with operational and strategic support to entrepreneurs and innovators. Our goal is to source, finance, develop and commercialise innovation in healthcare and life sciences and, through this, to generate value for shareholders. Arix is building interests in a balanced, diverse collection of innovative life science companies, which together offer access to a sector with high growth potential, which is otherwise not readily available to public market investors.

### *International network and strong team enables Arix Bioscience sustainably to source and identify high potential opportunities*

Arix Bioscience has built a team comprising respected business builders in healthcare and life sciences, with proven track records of creating value for shareholders. Using the team's experience and contacts, we have developed an extensive international network that includes venture capital groups on both sides of the Atlantic and beyond, leading pharmaceutical companies, research accelerators and universities. These networks, and the capabilities of our team, enable us sustainably to source opportunities in life sciences, across geographies and all stages of development. To that end, since inception the Arix Bioscience team has accessed and reviewed over 700 investment opportunities.

### *Good progress*

To date, Arix Bioscience has acquired direct interests in ten innovative Group Businesses, including five new Group Businesses since IPO. All of the Group Businesses are taking innovative, potentially breakthrough approaches to developing treatments in areas of high unmet medical need, such as oncology, multi-drug resistant infections, neurodegenerative and respiratory diseases, genetic and epigenetic data and analysis, and rare and orphan diseases. We see high growth potential across our Group Businesses, and we are working closely with them – in most cases with Board positions – to help realise that growth for the benefit of our shareholders.

Increases in the value of our Group Businesses depend partly on positive progress in their various scientific programmes and clinical trials and we will report any changes in their value in line with International Private Equity and Venture Capital (IPEVC) guidelines. Early in our acquisition of an interest in a Group Business, we typically mark its value on our balance sheet at cost, or if public, marked-to-market. As each Group Business develops, we anticipate booking changes in value through externally-validated events (typically scientific, clinical or corporate), again in line with IPEVC guidelines.

We are committed to transparency in communicating developments in our Group Businesses, and as part of this we look forward to our inaugural Capital Markets Day, in London on 18 September 2017, at which the CEOs of a number of our Group Businesses will present on their progress.

## *Outlook*

I am pleased to report good progress on our goal of building interests in a diverse group of innovative young life science companies, adding five high quality Group Businesses to our portfolio since IPO. Looking ahead, we continue to see a rich pipeline of potential new opportunities to build our portfolio, and we will continue to actively support the development of our 10 current Group Businesses. We look forward to our inaugural Capital Markets Day, in London on 18 September, at which the CEOs of a number of our Group Businesses will present on their progress. Led by our experienced team, Arix Bioscience is progressing well on its goals of advancing innovation in medicine for the benefit of patients and offering access to a high potential portfolio of young life science companies, for public shareholders.

**Dr Joe Anderson, PhD**  
**Chief Executive Officer**

## Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2017

	Note	2017 £'000	15 Sept 2015 to 30 June 2016 £'000
Change in fair value of investments	7	(218)	785
Revenue		574	5
Administrative Expenses		(5,355)	(3,601)
<b>Loss before exceptional items and share based payment charge</b>		<b>(4,999)</b>	<b>(2,811)</b>
Net finance income		(6)	25
Exceptional gain		-	3,962
Exceptional costs		-	(596)
Foreign exchange (losses) / gains		(43)	50
Share-based payment charge	9	(1,761)	(3,433)
<b>Loss before taxation</b>		<b>(6,809)</b>	<b>(2,803)</b>
Taxation		126	-
<b>Loss for the period</b>		<b>(6,683)</b>	<b>(2,803)</b>
<b>Other Comprehensive Income</b>			
Exchange differences on translating foreign operations		(446)	139
<b>Total comprehensive loss for the period</b>		<b>(7,129)</b>	<b>(2,664)</b>
<b>Attributable to</b>			
Owners of Arix Bioscience plc		(7,129)	(2,664)
<b>Earnings per share</b>			
Basic earnings per share (p)	6	(0.10)	(0.15)
Diluted earnings per share (p)	6	(0.10)	(0.15)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 30 June 2017

	Note	30 June 2017 £'000	31 Dec 2016 £'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investments held at fair value	7	35,883	17,115
Intangible assets		2,200	2,344
Property, plant and equipment		632	750
		<b>38,715</b>	<b>20,209</b>
<b>Current Assets</b>			
Cash and cash equivalents		108,150	28,929
Trade and other receivables		1,966	3,262
		<b>110,116</b>	<b>32,191</b>
<b>TOTAL ASSETS</b>		<b>148,831</b>	<b>52,400</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		(2,564)	(5,791)
Deferred tax liability		(119)	(280)
		<b>(2,683)</b>	<b>(6,071)</b>
<b>TOTAL LIABILITIES</b>		<b>(2,683)</b>	<b>(6,071)</b>
<b>NET ASSETS</b>		<b>146,148</b>	<b>46,329</b>

<b>EQUITY</b>			
Share capital and share premium	8	105,238	51
Retained earnings		40,938	45,844
Other reserves		(28)	434
		<b>146,148</b>	<b>46,329</b>
<hr/>			
<b>TOTAL EQUITY</b>		<b>146,148</b>	<b>46,329</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Share Capital £'000	Share Premium £'000	Translation Reserve £'000	Retained Earnings £'000	Total £'000
<b>As at 31 December 2016</b>	51	-	434	45,844	46,329
Loss for the period	-	-	-	(6,683)	(6,683)
Other comprehensive income	-	-	(462)	16	(446)
Contributions of equity, net of transaction costs and tax	1	105,186	-	-	105,187
Share-based payment charge	-	-	-	1,761	1,761
<b>As at 30 June 2017</b>	<b>52</b>	<b>105,186</b>	<b>(28)</b>	<b>40,938</b>	<b>146,148</b>

	Share Capital £'000	Share Premium £'000	Translation Reserve £'000	Retained Earnings £'000	Total £'000
<b>At incorporation</b>	-	-	-	-	-
Loss for the period	-	-	-	(2,803)	(2,803)
Other comprehensive income	-	-	139	-	139
Contributions of equity, net of transaction costs and tax	1	50,017	-	-	50,018
Share-based payment charge	-	-	-	3,433	3,433
<b>As at 30 June 2016</b>	<b>1</b>	<b>50,017</b>	<b>139</b>	<b>630</b>	<b>50,787</b>



## Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	2017 £'000	15 Sept 2015 to 30 June 2016 £'000
<b>Cash from operating activities</b>	<b>(6,471)</b>	<b>(3,725)</b>
Taxation paid	(33)	-
Net finance expenses paid	(6)	25
<b>Net cash from operating activities</b>	<b>(6,510)</b>	<b>(3,700)</b>
<b>Cash flows from investing activities</b>		
Purchase of equity investments	(19,455)	(5,807)
Purchase of property, plant and equipment	(1)	(772)
Acquisition of subsidiaries, net of cash & other assets	-	221
<b>Net cash from investing activities</b>	<b>(19,456)</b>	<b>(6,358)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	105,187	50,017
<b>Net cash from financing activities</b>	<b>105,187</b>	<b>50,017</b>
<b>Net increase in cash and cash equivalents</b>	<b>79,221</b>	<b>39,959</b>
Cash and cash equivalents at start of period	28,929	-
<b>Cash and cash equivalents at end of period</b>	<b>108,150</b>	<b>39,959</b>

## Notes to the Financial Statements

### 1. General information

The principal activity of Arix Bioscience plc (the “**Company**”) and together with its subsidiaries (the “**Arix Group**” or “**the Group**”) is to source, finance and develop healthcare and life science businesses globally.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. The address of its registered office is 20 Berkeley Square, London, W1J 6EQ. The registered number is 09777975.

These condensed interim financial statements were approved for issue on 31 July 2017.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the period ended 31 December 2016 were approved by the board of directors on 26 April 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These condensed interim financial statements have been reviewed, not audited.

### 2. Accounting policies

These condensed interim financial statements for the six months ended 30 June 2017 have been prepared on a going concern basis, in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34, ‘Interim financial reporting’, as adopted by the European Union. The condensed interim financial statements should be read in conjunction with the annual financial statements for the period ended 31 December 2016, which have been prepared in accordance with IFRSs as adopted by the European Union.

The accounting policies adopted are consistent with those of the previous financial year.

A number of amendments to IFRSs became effective for the financial year beginning on 1 January 2017; however, the Group did not have to change its accounting policies or make material retrospective adjustments as a result of adopting these new standards.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

### 3. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

### 4. Segmental Information

Information for the purposes of resource allocation and assessment of performance is reported to the Arix Group’s Chief Executive Officer, who is considered to be the chief operating decision maker, based wholly on the overall activities of the Arix Group. It has therefore been determined that the Arix Group has only one reportable segment under IFRS 8 (‘Operating Segments’), which is that of sourcing, financing and developing healthcare and life science businesses globally. The Arix Group’s revenue, results and assets for this one reportable segment can be determined by reference to the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

## 5. Financial Risk Management and Financial Instruments

The Arix Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

There have been no changes in the risk management department or in any risk management policies since the year end.

## 6. Earnings per Share

On 17 February 2017, the Arix Group was admitted to the main market of the London Stock Exchange. On admission, 48,309,179 ordinary shares were issued. On the same date, 170,287 shares were issued to non-executive directors.

Basic earnings per share is calculated by dividing the loss attributable to equity holders of Arix Bioscience plc by the weighted average number of enfranchised shares (as adjusted for capital subscription in accordance with the terms of the restrictive share agreement) in issue during the period.

The Arix Group has potentially dilutive ordinary shares, being share options granted to employees. As the Arix Group has incurred a loss in the period, the diluted loss per share is the same as the basic earnings per share as the loss has an anti-dilutive effect.

	2017 £'000	2016 £'000
Loss attributable to equity holders of Arix Bioscience plc	(7,129)	(2,664)
Weighted average number of shares in issue	70,957,612	17,513,704
Basic and diluted loss per share	(0.10)p	(0.15)p

## 7. Investments

### Equity Investments

	Level 1- Quoted Investments £'000	Level 3 - Un- quoted Invest- ments £'000	Total £'000
At 31 December 2016	2,020	15,095	17,115
Additions	1,780	17,675	19,455
Unrealised (loss) / gain on investments	(789)	571	(218)
Foreign exchange losses	(13)	(456)	(469)
<b>At 30 June 2017</b>	<b>2,998</b>	<b>32,885</b>	<b>35,883</b>

	Level 1- Quoted Investments £'000	Level 3 - Un- quoted Invest- ments £'000	Total £'000
At incorporation	-	-	-
Additions	1,854	13,408	15,262
Unrealised gain on investments	166	1,188	1,354
Foreign exchange gains	-	499	499
<b>At 31 December 2016</b>	<b>2,020</b>	<b>15,095</b>	<b>17,115</b>

Level 3 investments are valued with reference to either price of recent investment (£28,515k); a Monte Carlo simulation (£70k); or by discounted cash flow (£4,300k); the latter used a discount rate of 14.5%, a discount for marketability (20%) and other assumptions relating to exit values and exit dates.

Group Business	Board Seat	Valuation Basis	Valuation £'000	Committed, not yet in- vested £'000
Artios Pharma	Director	PRI	1,896	3,229
Autolus	Director	PRI	3,333	6,667
BioMotiv	Advisory Board	PRI	6,009	-
Depixus	Director	PRI	817	278
Harpoon Therapeutics	Director	PRI	4,230	4,230
Iterum Therapeutics	Director	PRI	5,922	2,538
LogicBio Therapeutics	Director	PRI	4,999	2,692
Mitoconix Bio	Observer	PRI	385	1,154
OptiKira	Director	PRI	924	-
Verona Pharma	-*	Quoted	3,068	-
ALS Carried Interest Partner LP	Fund Manager	External DCF	4,300	-
			<b>35,883</b>	<b>20,788</b>

PRI: Price of recent investment; DCF: Discounted cash flow

\* The absence of a Board seat on Verona Pharma plc allows Arix the opportunity to trade on the market

As permitted by IAS 28 'Investment in Associates' and in accordance with the Arix Group accounting policy, investments are held at fair value even though the Arix Group may have significant influence over the companies. As at 30 June 2017, the Arix Group is deemed to have significant influence over the following entities, either due to holding more than 20% of the issued share capital, and/or having a director on the board of the company:



Company	% of Issued Share Capital Held	Net Assets / (Liabilities) of Company £'000	Profit / (Loss) of Company £'000	Date of Financial Information
Artios Pharma Limited	15.1%	N/A	N/A	First accounts not yet available
Autolus Limited	4.8%	28,282	(9,736)	30 September 2016
Depixus SAS	19.1%	N/A	N/A	Accounts not publicly disclosed
Harpoon Therapeutics, Inc.	8.0%	N/A	N/A	Accounts not publicly disclosed
Iterum Therapeutics Limited	6.8%	N/A	N/A	Accounts not publicly disclosed
LogicBio Therapeutics, Inc	13.3%	N/A	N/A	Accounts not publicly disclosed
OptiKira, LLC	31.9%	N/A	N/A	Accounts not publicly disclosed

In addition, at 30 June 2017, the Group held the following investments in Group Businesses where it is not considered to have significant influence:

Company	% of Issued Share Capital Held
BioMotiv, LLC	17.8%
Mitoconix Bio Limited	2.2%
Verona Pharma plc	2.7%

## 8. Share Capital

	As at 30 June 2017 £'000	As at 31 Dec 2016 £'000
<b>Allotted and called up</b>		
96,091,083 ordinary shares of £0.00001 each	2	-
100,966,920 ordinary shares of £0.00001 each	-	1
Series C shares of £1 each	50	50

On incorporation, the Company issued one ordinary share of £1. On 29 September 2015, the Company issued an additional 999 ordinary shares of £1 each at par. On 10 November 2015, each ordinary share of £1.00 each was subdivided into 100,000 Ordinary Shares of £0.00001.

On 14 September 2016, the Company issued and allotted 49,671 Series C shares at a nominal value of £1.00 per share. Series C shares carry no voting nor distribution rights. On the same date, as part of the share capital reorganisation required to become a plc, all share premium previously recognised was transferred to retained earnings.

The Arix Group listed on the London Stock Exchange Main Market in February 2017; 48,309,179 shares of £0.00001 each were issued. Existing ordinary and B shares in issue were restructured, resulting in a total of 89,951,268 ordinary shares being in issue. In March 2017, following a period of over-allotment, a further 6,139,815 ordinary shares of £0.00001 each were issued.

## **9. Share Options**

### *Executive Share Option Plan*

On 8 February 2016, options were granted pursuant to the Executive Share Option Plan to two directors at an exercise price of £1.80 per ordinary share. The number of ordinary shares subject to the options are the requisite number of ordinary shares as represents 5.43% of the fully diluted ordinary share capital of the Company immediately following the end of the Company's stabilisation period following admission to the London Stock Exchange. Options with identical terms were offered to the founders of the Company constituting 5.00% of the issued share capital of the Company after admission. As such, the number of options granted for both management and founders was confirmed on 20 March 2017. All conditions are unchanged from those disclosed in the 31 December 2016 financial statements.

### *Executive Incentive Plan*

On 22 February 2017, nil cost options were granted pursuant to the Executive Incentive Plan to certain directors and members of staff. The options vest on 22 February 2019 and may be exercised from this date until 21 February 2027. The options are contingent on remaining in employment with a company in the Arix Group, and are subject to malus and clawback provisions.

On 26 May 2017, options were granted pursuant to the Executive Incentive Plan to certain directors and members of staff. The options vest on 26 May 2020, subject to the Company's share value growth over the three-year performance period. The options are contingent on remaining in employment with a company in the Arix Group, and are subject to malus and clawback provisions.

### *Share based payments*

The fair value of options granted under the Executive Share Option Plan was calculated using the Black-Scholes model. The assumptions used in this calculation are unchanged from those disclosed in the 31 December 2016 financial statements.

As the 22 February 2017 options have no performance conditions, the share based payment charge is calculated by reference to the Company's share price on the grant date; the charge is recognised over the two-year vesting period.

The charge associated with the 26 May 2017 options have been calculated using a Monte Carlo simulation, incorporating relevant assumptions for share price (197.5p), expected volatility based on similar quoted companies (44%), risk free interest rate (0.12%) and share option term (three years). The resultant fair value is then spread over the three-year relevant vesting period.

For the six months to 30 June 2017, a share based payment charge of £1,761,000 has been recognised for a variety of share based payment schemes offered by the Group.

Charges of £522,000 and £324,000 were recognised in relation to the management options and founder incentive options respectively, granted under the Executive Share Option Plan. A charge of £520,000 was recognised in relation to the 22 February 2017 Executive Incentive Plan award; and £42,000 in relation to the 26 May 2017 award.

Furthermore, on 17 February 2017, certain Non-Executive Directors were issued ordinary shares in the Company, for nil cost. The full share based payment charge in relation to these, of £353,000, has been recognised in the period.

## **10. Related Party Transactions**

During the period, consultancy fees amounting to £121,000 (inclusive of VAT) were payable to Merlin Scientific LLP, a partnership controlled by Sir Christopher Evans, a director and substantial shareholder of the Company. At 30 June 2017, £31,000 (inclusive of VAT) was owed to Merlin Scientific LLP by the Company.

At the period end, Arthurian Life Sciences Limited, a subsidiary of the Company, was owed £174,000 by Excalibur Fund Managers Limited, a business in which Sir Christopher Evans is the ultimate controlling party.

David U'Prichard, a non-executive director of the Company, provides consulting services and administrative support to BioMotiv LLC. The consulting services and administrative support are provided through Druid Consulting LLC, a firm controlled by David U'Prichard. The Company is a stakeholder of BioMotiv LLC. During the period ended 30 June 2017, Druid Consulting LLC received a total of \$136,298 from BioMotiv LLC.

Consultancy fees amounting to £210,646 (inclusive of VAT) were payable to Bradshaw Consulting Limited during the period, a company owned by Martin Walton, who is a director of Arthurian Life Sciences Limited. At 30 June 2017, no amounts were owed to Bradshaw Consulting Limited by the Group.

#### **11. Events After the Reporting Period**

On 11 July 2017, a further €310k (£278k) was invested in Depixus SAS, in line with existing commitments, increasing the Arix Group's shareholding in the company to 20.7%.

On 17 July 2017, a further £3,333k was invested in Autolus Limited, in line with existing commitments, increasing the Arix Group's shareholding in the company to 7.2%.

On 26 July 2017, the Arix Group invested CAD888k (£548k) in PreciThera, Inc, acquiring a 17.8% interest in the company; uncalled commitments total £5.7m. The Arix Group has the right to appoint a Director.

#### **Statement of Directors' Responsibilities**

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors of Arix Bioscience plc are listed in the company's Annual Report for 31 December 2016, with the exception of Meghan FitzGerald, who was appointed on 21 July 2017.

By order of the Board

James Rawlingson  
Chief Financial Officer  
31 July 2017



## ***Independent review report to Arix Bioscience plc***

### **Report on the consolidated interim financial statements**

#### **Our conclusion**

We have reviewed Arix Bioscience plc's consolidated interim financial statements (the "interim financial statements") in the half-yearly report of Arix Bioscience plc for the six month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

#### **What we have reviewed**

The interim financial statements comprise:

- the consolidated statement of financial position as at 30 June 2017;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### **Responsibilities for the interim financial statements and the review**

##### **Our responsibilities and those of the directors**

The half-yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **What a review of interim financial statements involves**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
31 July 2017