

A close-up photograph of a female scientist wearing a white lab coat and blue safety goggles. She is looking through the eyepiece of a black and blue microscope. The background is blurred, showing a 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)
INTERIM RESULTS 2021**

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- » Portfolio update
- » Strategy recap
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INTERIM RESULTS

INTERIM RESULTS HIGHLIGHTS 2021

PORTFOLIO



Strong clinical and operational progress

- Clinical data readouts from Harpoon, Imara and Autolus
- 4 trial initiations – Artios and LogicBio transitioned to clinical stage companies
- >\$690m raised by portfolio companies
- 2 new strategic partnerships – Artios and Novartis (\$20m upfront) and LogicBio (\$10m upfront)

CAPITAL



Deep capital pool; £164m cash at 30 June 2021

- £27.6m invested into portfolio, one new portfolio company (Pyxis Oncology) added
- £32.0m realised through trade sale of Amplyx and realisations in public portfolio
- Launched share buyback programme of up to £25m; £8m of shares purchased in the period

OPERATIONAL



Building investment team and improving governance

- Mark Chin rejoined Arix as a Managing Director; adding significant experience in early to late-stage venture capital
- Chair and CEO roles split with focus on improving corporate governance
- Focus on building investment team, adding new talent to deploy investment capital

PERFORMANCE

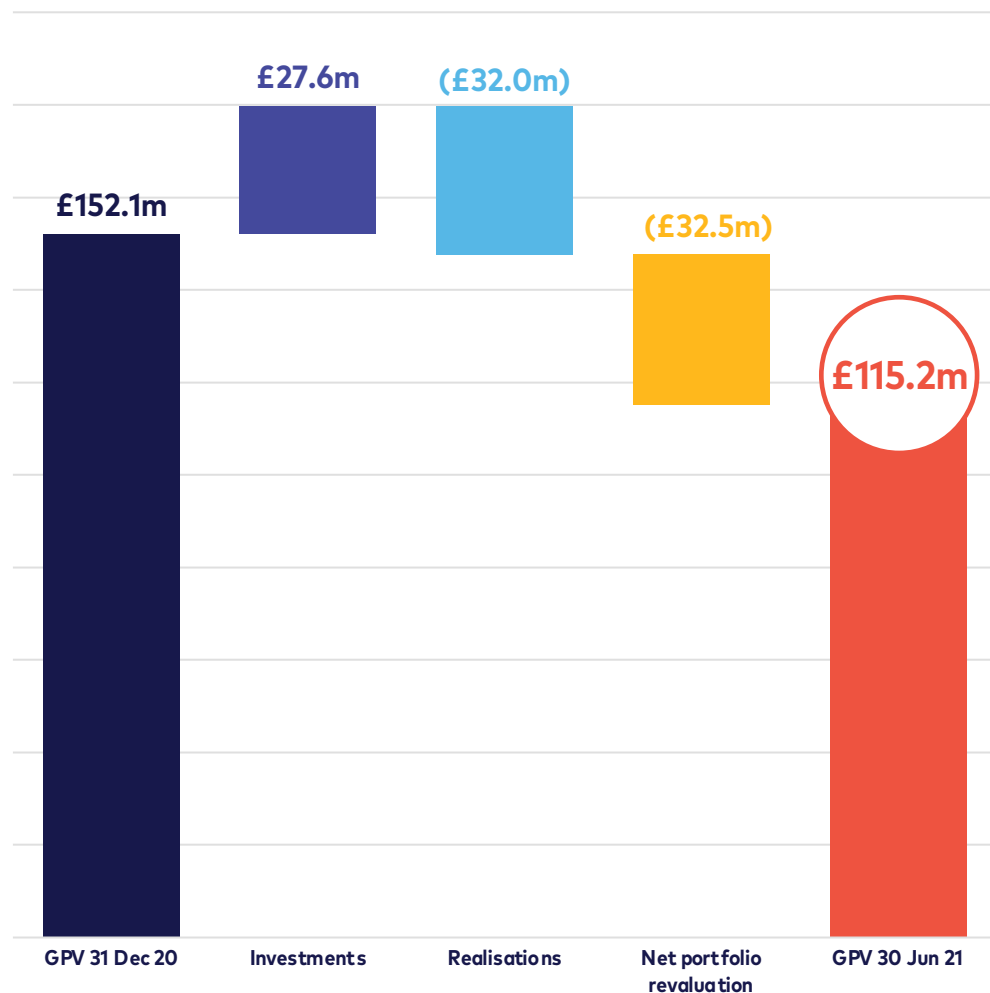


12% decline in NAV per share to 214p (NAV: £281m)

- Net downward portfolio revaluation of £32.5m*
- Performance impacted by closing of Quench Bio and volatility in share prices of listed portfolio companies; Arix remains confident in business fundamentals and long term value of listed assets
- 24% portfolio IRR since inception

*Includes FX

GROSS PORTFOLIO PERFORMANCE IN THE PERIOD



**GPV at 30 June 2021:
£115.2m**

» **£27.6m invested in the period**
One new portfolio company added (Pyxis)
Further investment into the existing portfolio

» **£32.0m realised in the period**
Trade sale of Amplyx to Pfizer
Realisations from public portfolio

» **£32.5m net downward revaluation***
Closing of Quench Bio resulted in £7.7m* write off
Volatility in share prices of listed companies

» **£12.1m invested post period end**
Artios Series C financing
Imara public offering

*Includes FX

SIGNIFICANT GROWTH IN PORTFOLIO VALUE SINCE INCEPTION

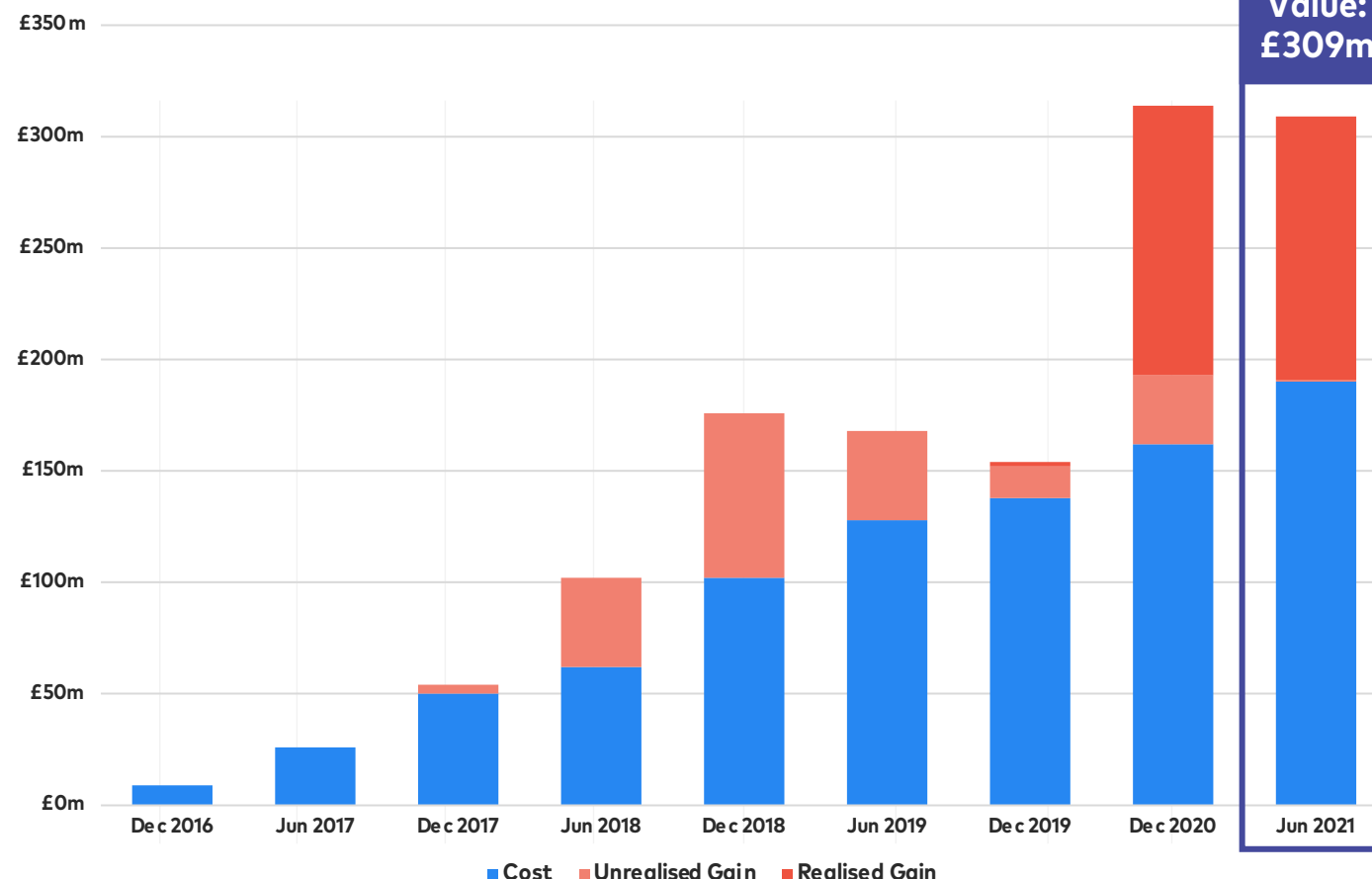
£190m invested; £309m of realised and unrealised value

» Capital deployed since inception: **£190m**

» Value (realised and unrealised): **£309m**

» 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

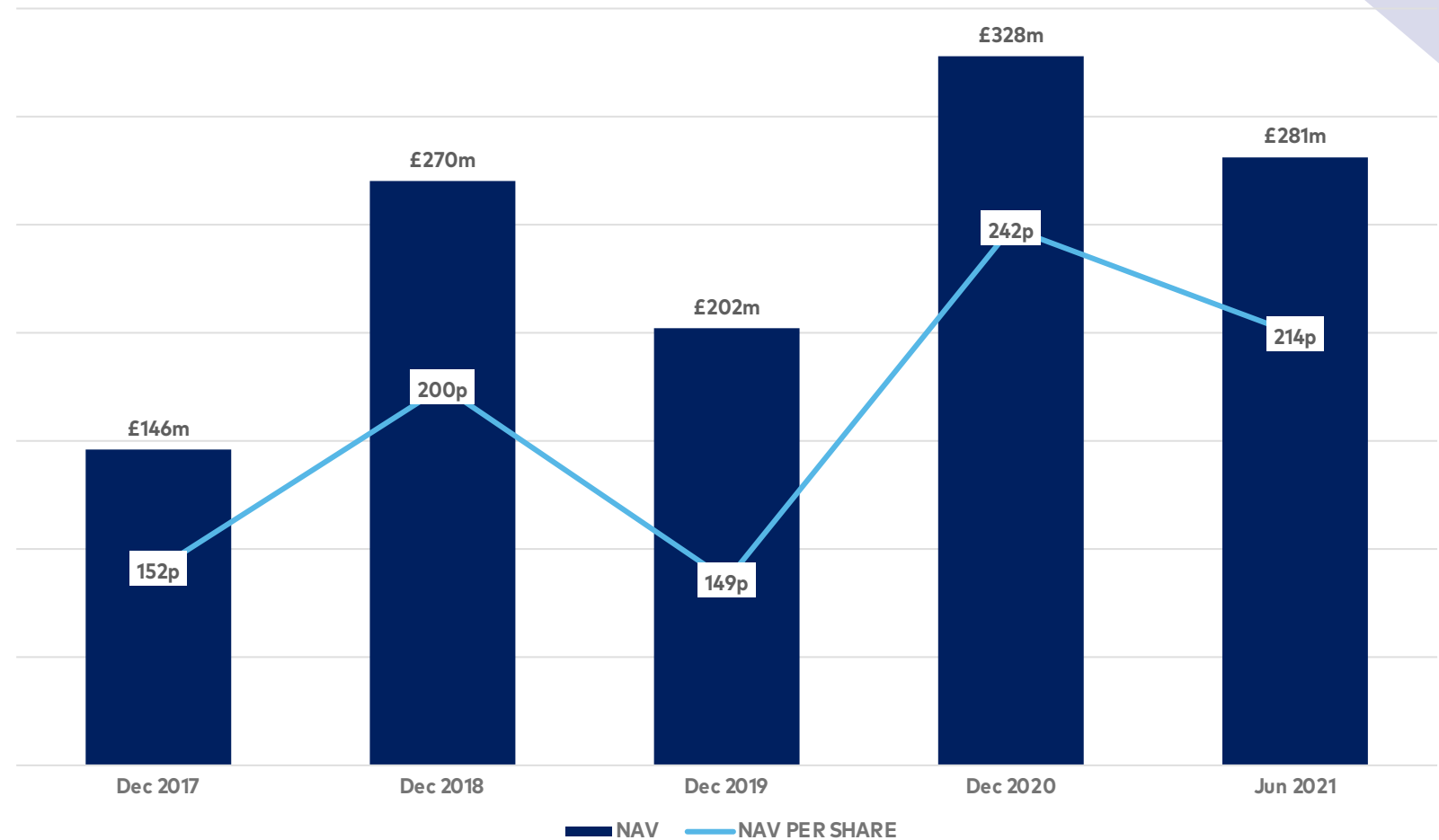
NAV: £281m (214p per share); 12% decrease in NAV per share in the six month period

» **£164m** cash at 30 June 2021: portfolio

» **£115.2m** GPV at 30 June 2021

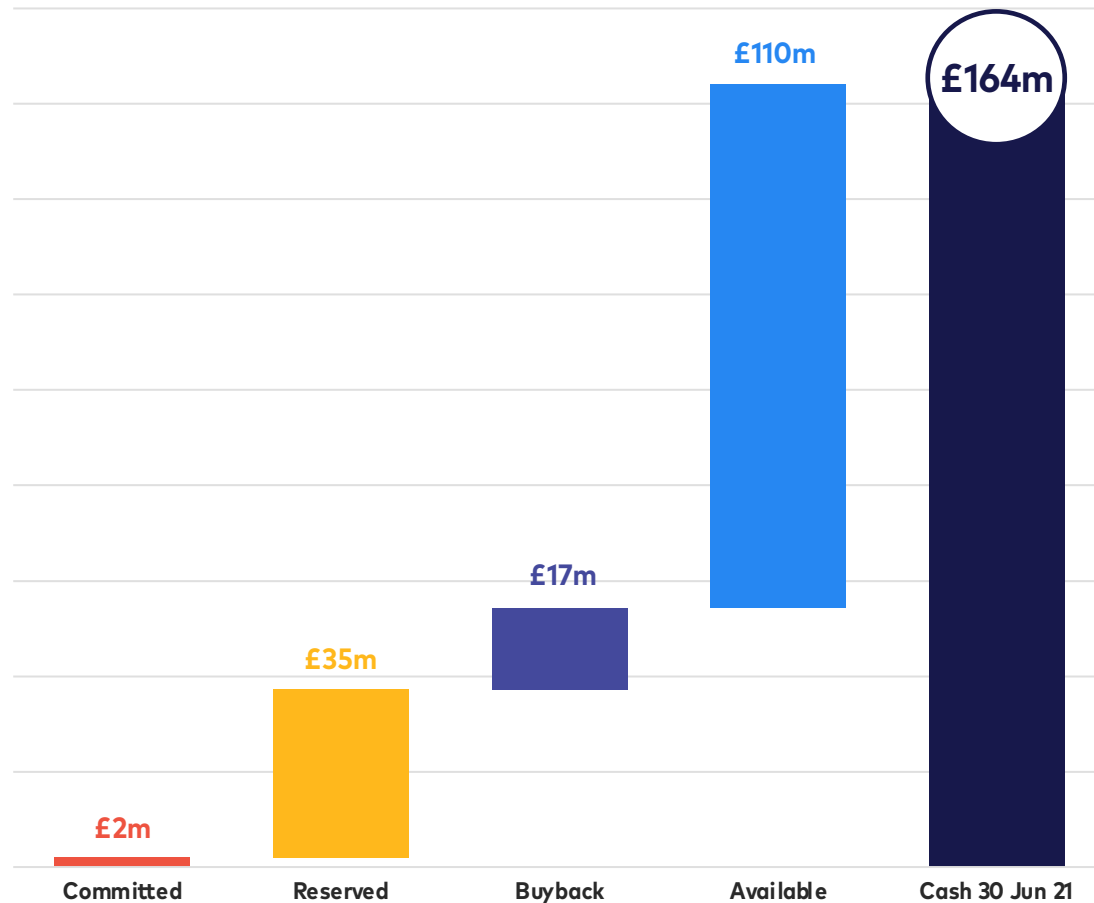
» **24%** IRR generated since inception

» **£198m** realised proceeds since inception



CASH BALANCE

Well positioned to exploit deep pipeline of opportunities



» **Committed**
£2.0m committed to milestone based tranches of existing investments

» **Reserved**
£35.3m reserved for new investments in existing portfolio companies and new deals under due diligence

» **Buyback**
£17.0m reserved to complete share buyback programme announced in March 2021

» **Available**
£109.7m available for operating costs and new investment opportunities



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PORTFOLIO UPDATE

>\$690M RAISED BY PORTFOLIO COMPANIES IN 2021



\$152m

Series B

Arix invested £10.8m

New investment



\$115m

Nasdaq public offering



\$80m

Series E

Arix invested £1.3m



\$115m*

Nasdaq public offering*



\$153m

Series C

Arix invested £6.3m



\$50m









Nasdaq public offering

Arix invested £5.8m

Includes Artios Series C and Imara's public offering post period end. Does not include first close of Depixus Series A,. Financing expected to complete in H2 2021

*plus \$29.6 net proceeds raised through Open Market Sales Agreement in H1 2021

SIGNIFICANT CLINICAL AND OPERATIONAL PROGRESS MADE IN H1 2021

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 at £1.2m on a risk-adjusted basis.
	Oncology	<ul style="list-style-type: none"> > Reported Phase 1 data in prostate cancer (HPN424) and reported progress across four pipeline programmes > initiated Phase 1/2 trial for HPN328 in small cell lung cancer
	Oncology	<ul style="list-style-type: none"> > Transitioned to a clinical stage company, initiating a Phase 1/2 trial for its ATR inhibitor (ART0380) in advanced or metastatic solid tumours > Signed strategic collaboration with Novartis (\$20m upfront*) to identify DDR targets to use with Novartis' RLT therapies
	Genetic diseases	<ul style="list-style-type: none"> > Transitioned to a clinical stage company; initiated a Phase 1/2 clinical trial in paediatric patients with MMA > Entered into a strategic collaboration with CANbridge Pharmaceuticals (\$10m upfront**) and a research partnership with Daiichi Sankyo
	Genetic diseases	<ul style="list-style-type: none"> > Reported Ph2a data in sickle cell disease for IMR-687 > Completed pre-clinical research of IMR-687 in heart failure with preserved ejection fraction
	Oncology	<ul style="list-style-type: none"> > Reported Phase 1 data in B-NHL and adult ALL (AUTO1) > Initiated Phase 1 clinical trial for AUTO1 in Primary CNS Lymphoma
	Immunology	<ul style="list-style-type: none"> > Holding reduced by £4.1m in the period recognising the challenge and likelihood of approval of relticimod in NSTI following initial feedback from FDA
	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

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

**Up to \$591m in option and milestone payments and up to double digit royalties on net sales

THE PORTFOLIO IS MATURING AND REACHING IMPORTANT CLINICAL MILESTONES

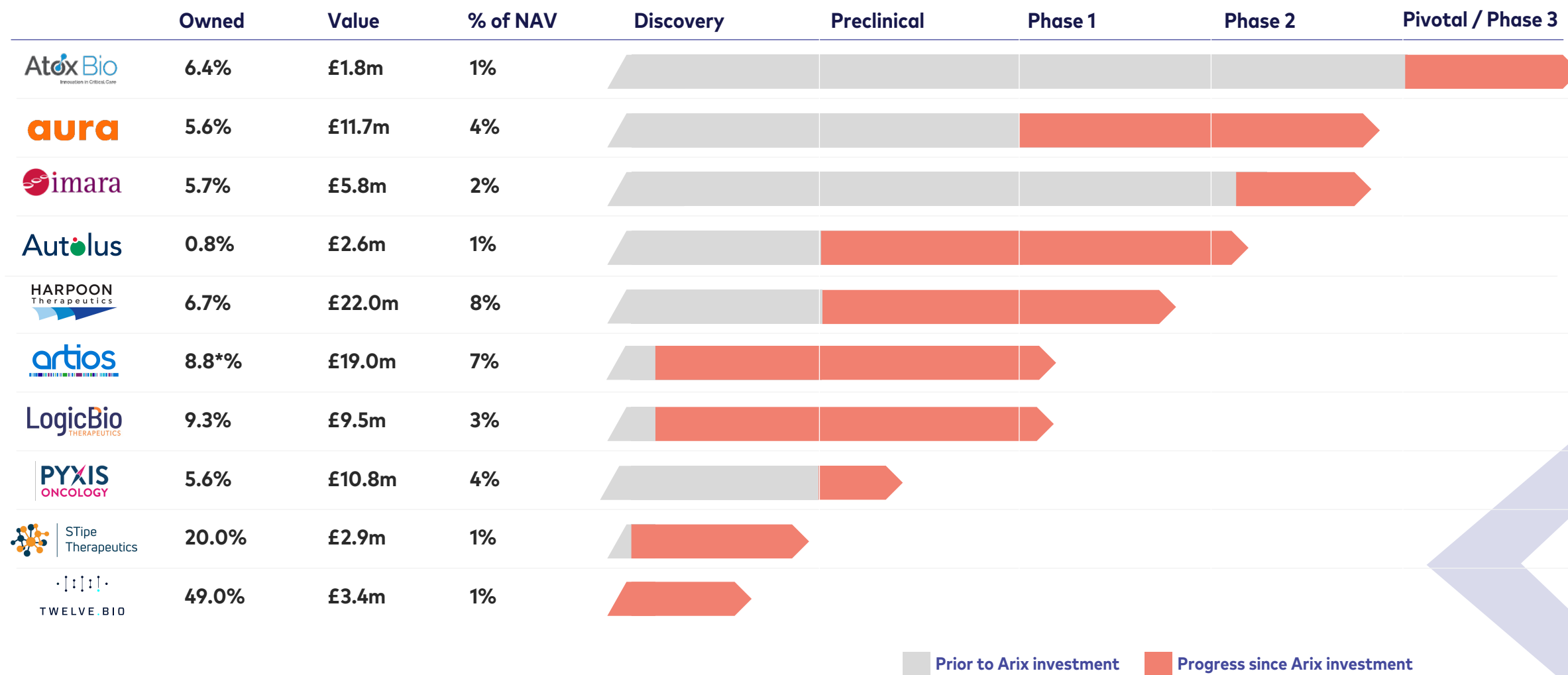
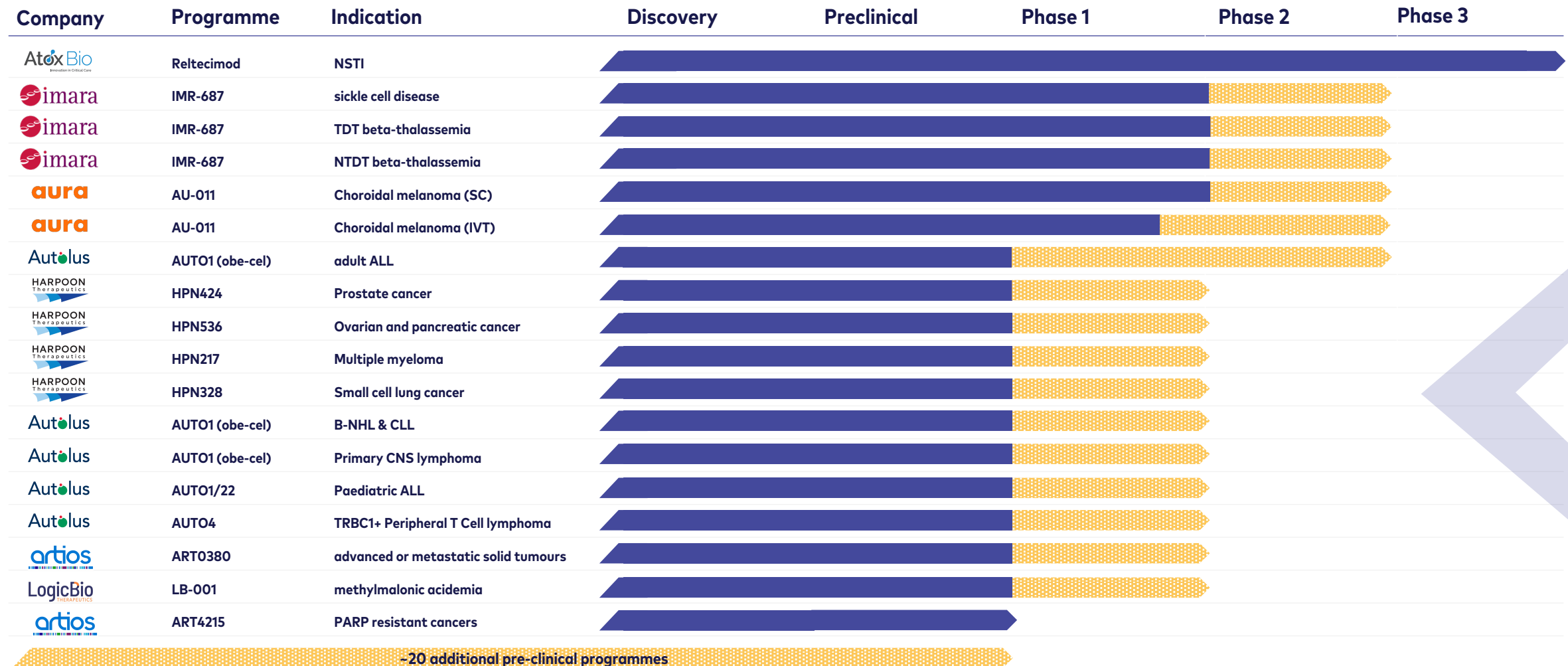


Diagram shows therapeutics companies only; Depixus not included

* Reflects changes to ownership percentage since 30 June 2021 due to company capital raisings and/or market transactions. All other numbers at 30 June 2021

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



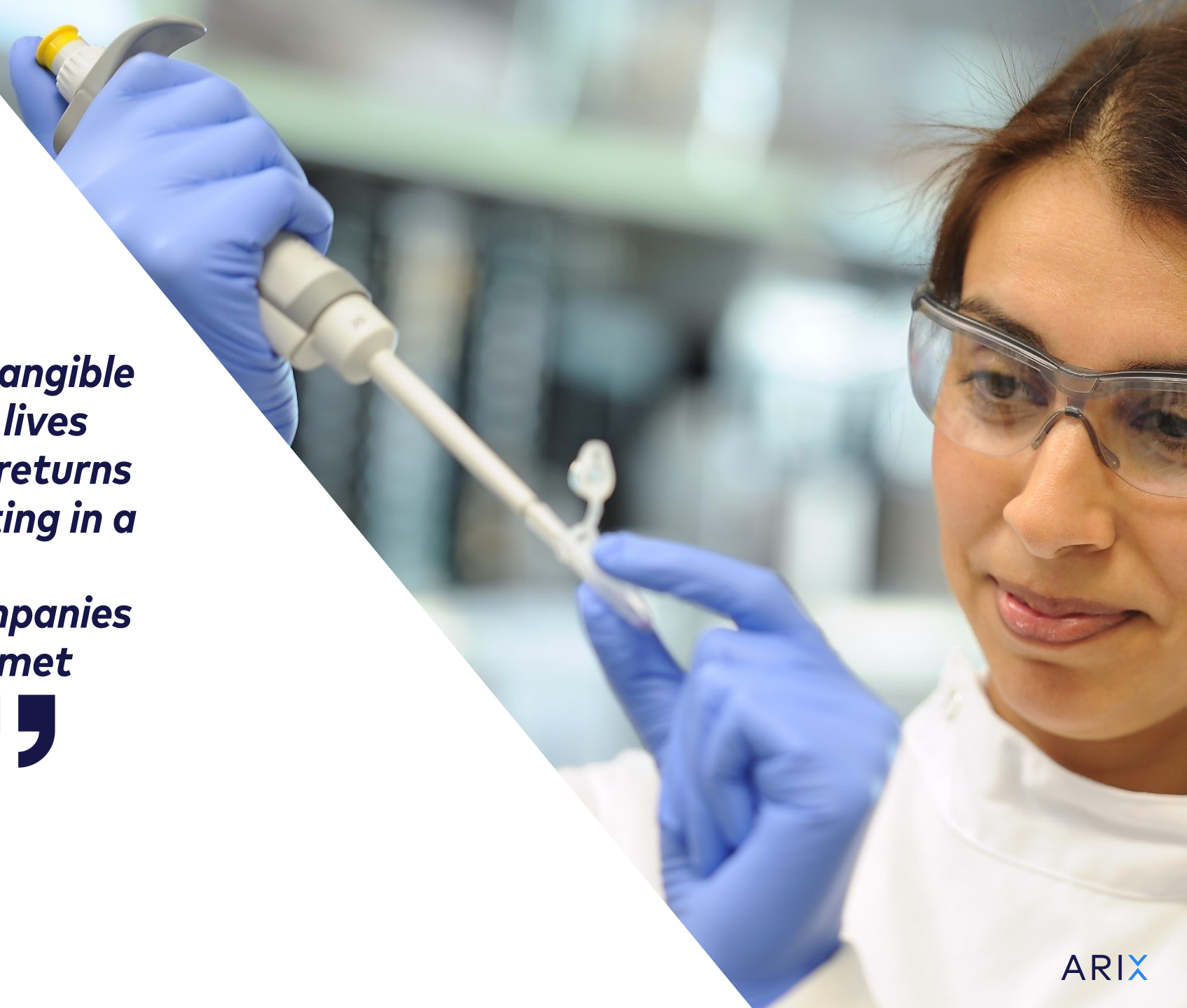


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STRATEGY RECAP

OUR PURPOSE

“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.”



INVESTMENT STRATEGY

Our focus

» **Science first**
High impact science, which has the potential to revolutionise patient outcomes



» **Source globally**
Unconstrained approach: hunt for the best ideas across the globe



» **Therapeutics focus**
Novel therapeutics with first or best in class approach



» **Early to late stage venture**
Flexible to the point of entry, guided by the quality of the opportunity



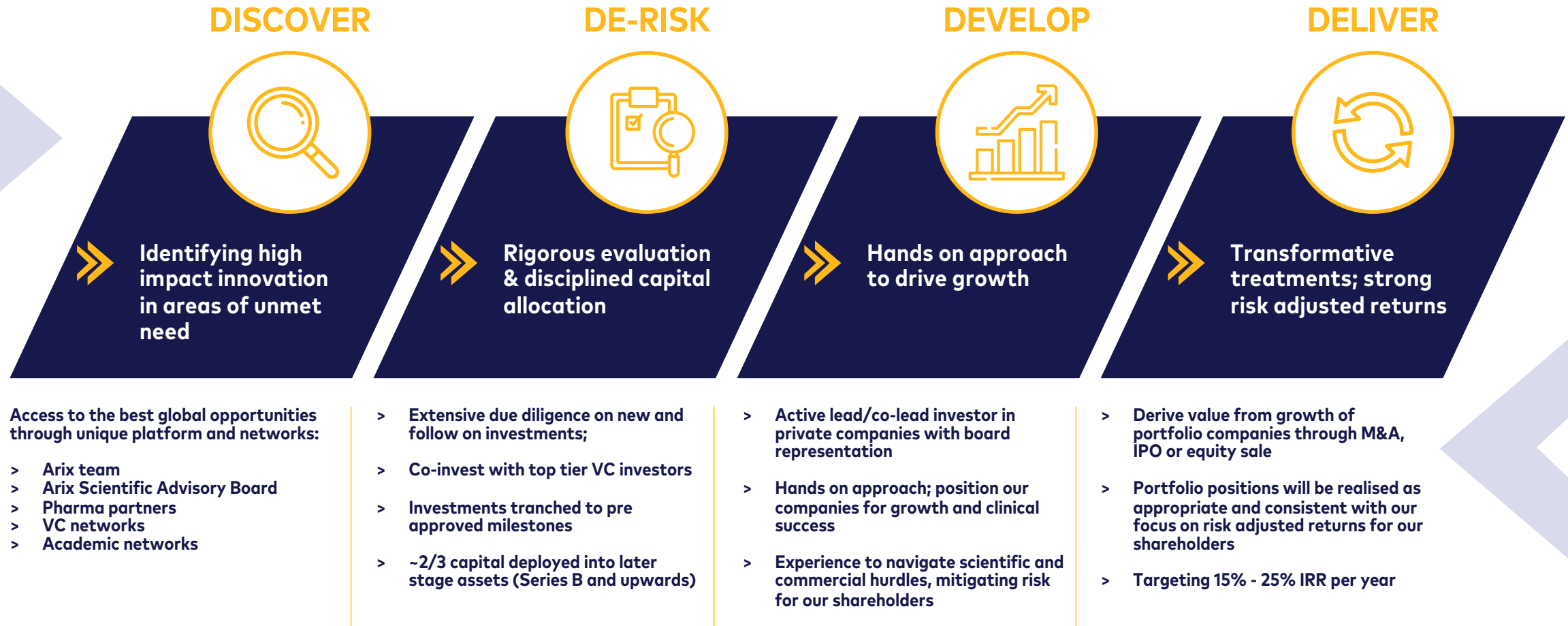
Our approach

» **Hands on investors; board members of portfolio companies, adding value via networks and expertise**

» **Thorough due diligence for new and follow on opportunities; invest in approximately 1 for every 90 seen**

» **Limit risk by investing small amounts early; investments tranching to pre agreed milestones**

LEVERAGING DEEP AND BROAD EXPERTISE IN BIOTECHNOLOGY TO CREATE VALUE












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SUMMARY AND OUTLOOK

MULTIPLE CLINICAL CATALYSTS EXPECTED IN H2 2021

Company	Programme/Indication	H1 2021	H2 2021	2022-3
	HPN424 – prostate cancer	Ph1 interim data	✓	Clinical data from multiple studies
	HPN536 - ovarian and pancreatic cancer			
	HPN217 – multiple myeloma			
	HPN328 - small cell lung cancer	Initiate Ph1 trial	✓	
	ART0380 - Advanced or metastatic solid tumours	Initiate Ph1 trial	✓	Clinical data from multiple studies
	ART4215 – PARP resistant cancers	IND submission	✓	
	LB-001 - Methylmalonic acidemia	Initiate Ph1 trial	✓	Ph1 interim data
	AU-011 - choroidal melanoma (SC)			New trial initiations
	AU-011 - choroidal melanoma (IVT)			
	AUTO1 (obe-cel)- adult ALL	Ph1 data update	✓	Progress discovery and preclinical programmes
	AUTO1/22 - paediatric ALL			
	AUTO1 (obe-cel) – B-NHL and CLL	Ph1 B-NHL data	✓	
	AUTO1 (obe-cel) – Primary CNS lymphoma	Initiate Ph1 trial	✓	
	AUTO8 - multiple myeloma			
	ALLO programme - undisclosed			
	IMR-687 - sickle cell disease	Ph2a data	✓	Ph2b interim data
	IMR-687 - TDT beta-thalassemia			
	Reltecimod - necrotising soft tissue infection			FDA decision on NDA (PDUFA: 30 Sep '21)

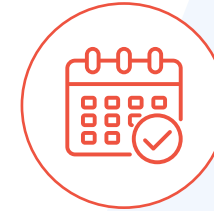
SUMMARY AND TARGETS

» **Significant capital pool;** expect to deploy £60m into new opportunities and existing portfolio companies by FY 2022

» **Competitive operating costs;** annual net costs expected to be at or below 2% of NAV

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

» **Focus on building investment team;** 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**

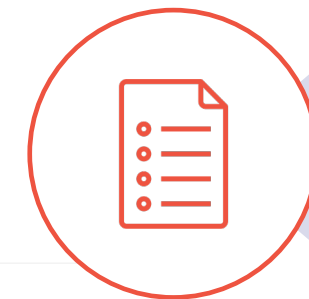
» **15% - 25% IRR** ✓



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APPENDIX

GLOSSARY OF ABBREVIATIONS



»	ADC	Antibody drug conjugate
»	ALL	Acute lymphoblastic leukemia
»	B-NHL	B-cell Non-Hodgkin lymphoma
»	CLL	Chronic lymphocytic leukemia
»	DDR	DNA damage response
»	DLBCL	Diffuse large B-cell lymphoma
»	GPV	Gross portfolio value
»	IND	Investigational new drug
»	IRR	Internal Rate of Return
»	iNHL	indolent Non-Hodgkin lymphoma
»	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*
»	SCD	Sickle cell disease
»	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

FINANCIAL REVIEW

NAV of £281m (214p); capital pool of £164m

Portfolio Company	Ownership** %	31 Dec 2020 Value £m	Investment in Period £m	Realisations in Period £m	Change in Valuation*** £m	30 June 2021 Value £m	Committed, not yet invested £m	% of NAV
Life science portfolio								
Harpoon	6.7%	26.9	1.1	(1.7)	(4.3)	22.0	-	8%
Artios	8.8%*	19.0	-	-	-	19.0	-	7%
Aura	5.6%	8.8	1.8	-	1.1	11.7	-	4%
Pyxis	5.6%	-	10.8	-	-	10.8	-	4%
LogicBio	9.3%	16.1	0.5	-	(7.1)	9.5	-	3%
Depixus	21.4%	4.2	2.4	-	1.4	8.0	-	3%
Imara	5.7%	22.2	-	(4.0)	(12.4)	5.8	-	2%
Autolus	0.8%	21.9	-	(14.0)	(5.3)	2.6	-	1%
Quench Bio	25.0%	8.0	-	-	(7.7)	0.3	-	-
Atox Bio	6.4%	5.9	-	-	(4.1)	1.8	-	1%
Amplyx	-	4.7	-	(5.2)	1.7	1.2	-	-
VelosBio	-	2.2	-	(2.5)	0.3	-	-	-
STipe	20.0%	2.0	1.0	-	(0.1)	2.9	-	1%
Twelve Bio	49.0%	1.4	2.1	-	(0.1)	3.4	2.0	1%
Public healthcare investments								
GenSight	4.4%	7.1	7.4	(1.9)	1.2	13.8	-	5%
Legacy Assets	N/A	1.7	0.5	(2.7)	2.9	2.4	-	1%
Gross Portfolio Value		152.1	27.6	(32.0)	(32.5)	115.2	2.0	40%

* Reflects changes to ownership percentage since 30 June 2021 due to company capital raisings and/or market transactions

** Percentage holdings reflect Arix'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















***Includes FX and capitalisations

PORTFOLIO VALUE

£198m realised proceeds since inception; remaining portfolio valued at 1.1x

Key

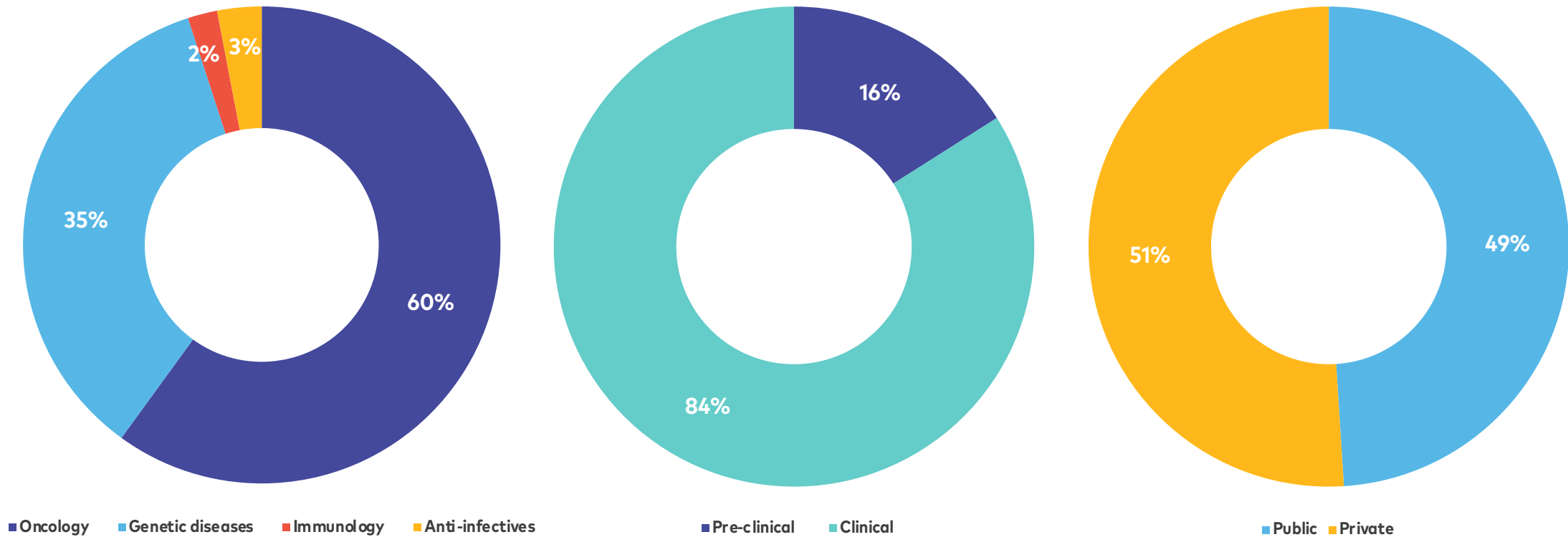
	Oncology		Immunology
	Genetic diseases		Anti-infectives

Company		Stage	Cost to Date £m	Value incl. realisations £m	Multiple to Date	Valuation basis
Venture portfolio						
Harpoon		Nasdaq	20.5	34.5	1.5	Quoted
Artios		Nasdaq	13.9	19.0	1.4	Milestones
Autolus		Nasdaq	24.6	16.6	0.7	Quoted
LogicBio		Nasdaq	13.3	13.1	0.9	Quoted
Imara		Nasdaq	13.8	12.9	0.6	Quoted
Aura		Series E	9.7	11.7	1.2	PRI
Pyxis		Series B	10.8	10.8	1.0	Cost
Depixus		Series A	4.6	7.9	1.7	PRI
Amplyx		Series C	4.6	6.4	1.4	Milestones
Twelve Bio		Seed	3.5	3.4	1.0	Cost
STipe		Series A	3	2.9	1.0	PRI
Atox Bio		Series F	7.4	1.7	0.2	Milestones
Quench Bio		Series A	6.2	0.4	0.1	Milestones
Public healthcare investment						
GenSight		Euronext	12.5	15.8	1.2	Quoted
Legacy Assets						
GROSS PORTFOLIO		-	148.4	157.2	1.1	-

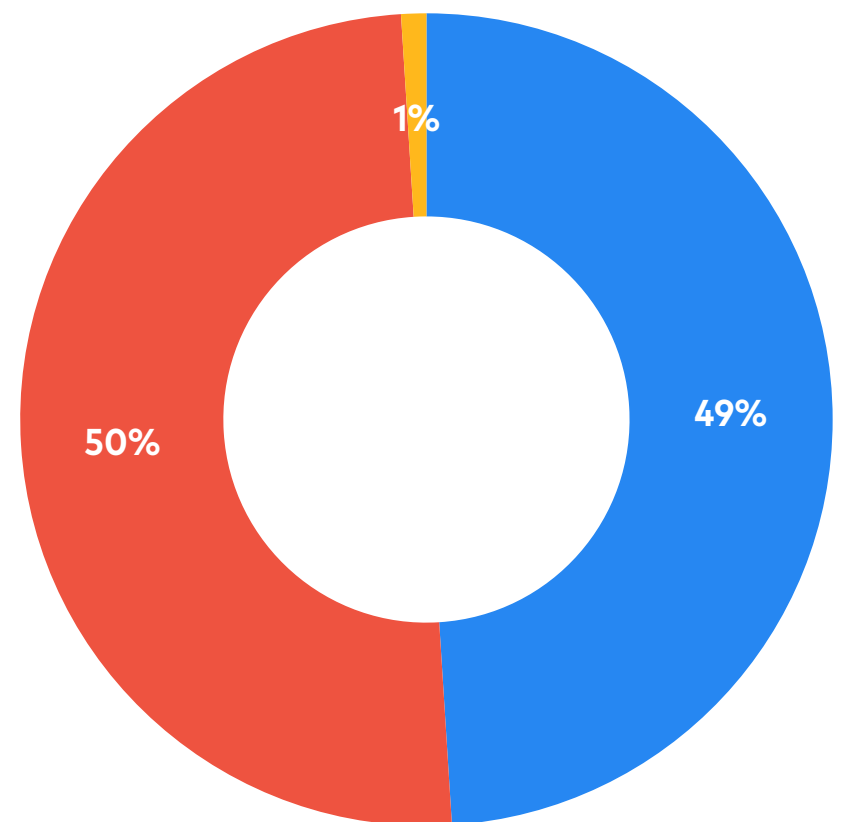
Milestones: progress against milestones (positive or negative)

PRI: Price of recent investment

PORTFOLIO IS WELL DIVERSIFIED ACROSS DISEASE AREAS AND STAGE OF DEVELOPMENT



ROBUST AND TRANSPARENT VALUATION POLICY



■ Quoted ■ Last Funding Round or Original Cost ■ Milestones

» **49%**
of the Gross Portfolio is in listed companies, valued at market prices

» **50%**
of the Gross Portfolio is valued by reference to the most recent third-party funding round, or the original cost of investment

» **1%**
of the Gross Portfolio is valued based on milestone progress (positive or negative)



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THANK YOU

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