

Arix Bioscience plc

Full year results for the year ended 31 December 2019

LONDON, 10 March 2020: Arix Bioscience plc ("Arix", LSE: ARIX) a global venture capital company focused on investing in and building breakthrough biotech companies, today announces its full year results for the year ended 31 December 2019.

Financial performance

- Net Asset Value (NAV) of £202 million (December 2018: £270 million), 149 pence per share (December 2018: 200 pence per share). Equates to a 25% decline in NAV per share for the year versus a 32% increase in 2018
- Gross Portfolio valued at £149 million (December 2018: £175 million), and £5m of cash realisations in the period
 - Uplifts including Aura (Series D), Harpoon (Nasdaq IPO), Quench Bio (Series A) outweighed by volatility of public holdings, notably a 60% decline in Autolus' share price
- £36 million of capital deployed into the Gross Portfolio during the period
- Cash of £55 million at 31 December 2019 (December 2018: £91 million)

Two new portfolio companies added to the portfolio:

- Co-led a \$63.0 million Series B financing in new portfolio company Imara, committing \$15.0 million (£11.4 million) for a 9.9% stake
- Co-led a €20.0 million Series A in new portfolio company STipe Therapeutics, committing €5.7 million (£4.9 million) for a 19.8% stake. Christian Schetter, Arix Entrepreneur in Residence, appointed as STipe's Executive Chairman

Funding continued growth in the portfolio

- Harpoon (T cell engagers) raised net proceeds of \$70.7 million in a Nasdaq IPO, in which Arix invested \$6.0 million (£4.7 million)
- Autolus (CAR-T cell immunotherapy) completed a \$108.8 million follow-on financing in which Arix invested a further \$5.0 million (£3.8 million)
- Aura Biosciences (ocular melanoma) completed a \$40.0 million Series D financing, in which Arix committed a further \$4.5 million (£3.4 million)

Together with the two new portfolio companies, these companies raised \$322 million in aggregate over the period.

Continued clinical progress in the portfolio, with 26 live clinical trials

Over the period a number of companies reached important clinical milestones, notably:

- Aura presented further positive safety and efficacy data from the ongoing AU-011 Phase 1b/2 study for choroidal melanoma
- Autolus reported encouraging data from its AUTO1 programme in adult acute lymphoblastic leukaemia (aALL), as well as early results from its AUTO3 programme in diffuse large B-cell lymphoma (DLBCL)
- Amplyx announced positive interim Phase 2 data from its lead programme APX001 in candidemia
- Harpoon initiated a Phase 1/2a clinical trial for HPN536, a mesothelin-targeting T cell engager, for the treatment of ovarian cancer and other mesothelin-expressing solid tumours
- Imara reported interim Phase 2a data from its IMR-687 clinical study for patients with sickle cell disease, showing proof of concept clinical activity
- VelosBio transitioned to a clinical stage company, initiating the VLS-101 Phase 1 clinical study for the treatment of haematological cancers

Post period end

Quench Bio launched from stealth with Series A financing

In January, Arix announced the Series A financing and launch of Quench Bio, a company that Arix created and seeded with Atlas Venture in June 2018. The Series A financing recognised a 40% uplift to the seed financing. Following the financing Arix retains a 21.7% stake in the business. This is the first company co-founded and formed by Arix from scratch, combining scientific discoveries from professors in Germany with entrepreneurs and co-investors in Boston. It encapsulates the benefits of Arix's transatlantic footprint and culture.

Autolus raised \$72.4 million in a public offering and reported additional encouraging data in AUTO3

In January, Autolus completed a follow-on financing raising net proceeds of approximately \$72.4 million. Following the offering Arix retains a 6.5% ownership stake. This financing will enable Autolus to develop its lead programme, AUTO1, in adult ALL through its Phase 2 trial and advance its next generation of T cell therapies into the clinic.

Appointment of Dr. Roberto Iacone as Entrepreneur in Residence

Dr. Roberto Iacone has been appointed as the second Entrepreneur in Residence at Arix. Roberto will focus on company creation, sourcing early stage European opportunities with Arix partner, Takeda Ventures, Inc., the strategic venture investing arm of Takeda Pharmaceuticals. This new role extends Arix's collaboration with Takeda Ventures to identify opportunities for early stage investment and create new biotechnology companies together.

Iterum raised \$52 million through a private placement

Following the disappointing news, announced in Q4 2019, that results from its Phase 3 trial in complicated intra-abdominal infections narrowly missed its primary endpoint, Iterum completed a \$51.9 million private placement with new and existing investors in January 2020. This will enable the company to fund the continued Phase 3 clinical development of sulopenem and the management of regulatory filings. Arix agreed to invest \$1.9 million (£1.5 million) in the financing. This investment is in addition to Arix's existing stake of 7.3% in Iterum (amounting to 1,089,903 ordinary shares).

Key anticipated milestones

The company notes key clinical milestones anticipated by its portfolio companies in 2020:

- Artios expects to initiate a Phase 1 study in ATM-deficient tumours by the end 2020
- Atox Bio expects to announce results from the ACCUTE Phase 3 clinical study in necrotising soft tissue infections in H1 2020
- Aura expects to initiate the AU-011 Phase 3 clinical study for choroidal melanoma in the H2 2020
- Amplyx expects to announce further Phase 2 data for APX001 in candidemia in 2020
- Autolus expects to initiate a Phase 2 registration trial of AUTO1 in adult ALL in H1 2020 and present updated Phase 1 data in H1 and H2 2020
- Autolus expects to make a go/no go decision on Phase 2 initiation of AUTO3 in DLBCL in mid-2020
- Autolus expects to announce interim Phase 1 AUTO4 T cell lymphoma data in H2 2020
- Autolus expects next generation (NG) programmes to enter the clinic in 2020
- Harpoon expects to present interim data from its HPN424 Phase 1 clinical study in prostate cancer in H1 2020
- Harpoon expects to present data from its HPN536 Phase1/2a clinical trial for ovarian cancer and other mesothelin-expressing solid tumours in H2 2020
- Harpoon expects to initiate the HPN217 Phase 1 trial for the treatment of multiple myeloma and the HPN328 Phase 1 clinical study in small cell lung cancer in 2020
- Imara expects to announce updated results from its IMR-687 Phase 2a clinical study in sickle cell disease (SCD) by the end of 2020
- Imara expects to initiate Phase 2b trials for SCD and beta thalassemia in H1 2020

- Iterum expects to announce results from the SURE 1 Phase 3 clinical study in uncomplicated urinary tract Infections and the SURE 2 Phase 3 clinical study in complicated urinary tract infections in H1 2020
- Pharmaxis expects to announce Phase 1b results from its systemic LOX inhibitor for myelofibrosis and/or pancreatic cancer in H1 2020
- VelosBio expects to announce Phase 1 data for VLS-101 in haematological cancers in H2 2020

Joe Anderson, CEO, commented:

"We remain focused on driving realisable value in our portfolio, and in turn our NAV, and I believe we are well positioned to do so through 2020 and beyond. We have had a challenging year with our shareholder structure and volatility in our public portfolio companies, but look ahead with confidence and see a portfolio that is maturing and has the potential to deliver real value."

Conference Call and presentation Information

Arix will host a conference call today, 10 March at 12:15 pm GMT/ 7:15am EST, to discuss the company's financial results and operational update.

To listen to the webcast and view the accompanying slide presentation, please go to: <https://arixbioscience.com/investor-relations/events-presentations>

The call may also be accessed by dialling (0)330 336 9125 for U.K. and European callers and +1 323-794-2588 for U.S. callers. Please reference conference ID 4517667.

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About Arix Bioscience Plc

Arix Bioscience plc is a global venture capital company focused on investing in and building breakthrough biotech companies around cutting edge advances in life sciences.

We collaborate with exceptional entrepreneurs and provide the capital, expertise and global networks to help accelerate their ideas into important new treatments for patients. As a listed company, we are able to bring this exciting growth phase of our industry to a broader range of investors.

www.arixbioscience.com

Chairman's Statement

Good underlying progress in the portfolio with a focus on unlocking and realising value for shareholders in 2020

2019 was a year of both progress and challenge for the Company.

The Arix portfolio now comprises 16 biotech companies addressing serious unmet medical need, building on innovative science and led by successful entrepreneurs in their respective areas. The portfolio saw positive clinical data from four of these companies during the year and three raised additional capital at valuation uplifts to the prior round. Harpoon was one of these companies, the fourth in our portfolio to successfully list and raise capital on Nasdaq.

Our strategic partnerships continue to play an important role in guiding and supporting our activities at Arix. We have built a strong dialog with our pharmaceutical partners Fosun, Ipsen, Takeda and UCB and benefit from their expertise as they also gain access to our pipeline and portfolio of emerging biotech companies. Our academic partnerships with Max Planck in Germany and Fred Hutch in Seattle are also beginning to bear fruit. Our first company incubated from Max Planck, Quench Bio, attracted leading new investors in its well supported Series A funding round shortly after year-end.

The portfolio is reaching a point where investors can expect to start to see value realisations either through the strategic sale of portfolio companies to pharmaceutical or larger biotech companies or through the sale of publicly listed holdings. The executive team will be focused on this in 2020 as well as attracting additional investment to the company. During 2019, the book value of the portfolio was impacted significantly by Autolus, one of our listed companies whose stock price was riding high in the early part of the year but has come back significantly. However, we do continue to see good progress in this company's clinical programmes.

An additional challenge during the year was the suspension in June 2019 of the Woodford Equity Income Fund, our largest shareholder with a 19.8% holding in Arix. We have been seeking to achieve an orderly transition of this holding to long-term supportive investors, and remove the distraction and consequent uncertainty that it has had on the share price in recent months.

In the latter part of 2019 the Board held a strategy day to review the performance of the company and the portfolio and to agree the outline of a three year plan to deliver value for shareholders. We also reviewed options to further build the business as value is delivered over the next three years.

From a governance perspective we have also started to build a more London centric Board with the skills and experience to guide the company through the next few critical years. In particular, Mark Breuer, who joined as a Non Executive in 2019 brings broad experience in UK capital markets and in advising public company Boards. Naseem Amin, who joined more recently, brings strong transatlantic industry experience in clinical development, business development and venture capital. With the added industry and financial experience of Giles Kerr, deep R&D expertise of Trevor Jones and the successful venture and industry track record of Art Pappas, the governance is in place to guide the company to take the actions needed to deliver value for shareholders.

I would also like to take this opportunity to thank Franz Humer, James Rawlingson and Meghan Fitzgerald for their service as Board members and for their important contributions in the formative years as we created and built Arix.

Arix has built a portfolio of companies pursuing breakthroughs in treating serious diseases for the benefit of patients. To continue this important work I look forward to 2020, where we start to achieve cash realisations to reinvest in new companies, to attract new investors and to deliver value for shareholders. I know Joe Anderson and the team at Arix are up to the challenge and have a portfolio that can deliver on this.

Jonathan Peacock

Chairman

9 March 2020

Chief Executive Officer's Review

Developing the long term potential of the business

We are working closely with our portfolio companies to build realisable value for our shareholders and see multiple clinical and scientific development milestones in the year ahead.

We have made good progress since the IPO in February 2017. The portfolio is now well-balanced and diverse, with science that is showing significant promise and products that have progressed well in

clinical trials. To date, we have invested £138 million in the Gross Portfolio, which was valued at £154m by year-end, including £5 million of realisations. The team at Arix has the right blend of experience and talent to make the most of the significant opportunities in the portfolio on behalf of shareholders.

Despite this, and disappointingly, during 2019, the results for the period show a 25% decline in Net Asset Value (NAV) per share (down 51p per share) compared to a positive return of 32% (48p per share) a year earlier. Our results were particularly impacted by the volatility of our public stocks, which collectively fell by 38% in 2019, giving up strong gains made in the prior year. As a result, our reported NAV at year-end was £202 million (£1.49 per share) compared to £270 million (£2.00 per share) at December 2018.

Most of our portfolio companies were small private companies at the time we first invested. As we reported last year, progress has been rapid and four of these have already made the transition to public companies following IPOs on the Nasdaq.

An IPO is not necessarily an exit point for us, but rather a means for the portfolio company to access additional capital from the public markets to speed the development of new products through clinical testing. But the development of these medicines takes time; it is a competitive business and clinical trials in humans, rightly, are highly regulated and set very high standards for proving efficacy and safety before approval is achieved for new products to treat patients. As a result, public biotech company share prices can be volatile in the period between their listing and producing definitive data, as was seen with Arix's listed portfolio companies, which made up 44% of our NAV at the beginning of the year.

Our view is that such fluctuations, although important to manage to the extent they can be, are less relevant to true value creation than is making solid progress with clinical development. On that count, during 2019 we saw meaningful progress in the clinical development plans of our portfolio companies. This is key to securing sustainable uplifts in our NAV and this remains our top priority.

During 2019, we have had a particular focus on building start-up companies based on cutting edge science to balance our portfolio of later stage companies. Company creation involves substantial effort from our team, and yields high ownership of the resulting company for relatively modest investment of capital. We have started a programme of bringing accomplished life science entrepreneurs into Arix to help us with such work and recently the first results of this emerged in the shape of STipe, our new portfolio company, led by Christian Schetter, Arix Entrepreneur in Residence. Our investment team has also been busy helping to build Quench Bio – a company that emerged from stealth mode shortly after year-end. We are looking to extend these efforts in company creation and as part of this are pleased to have announced the appointment of Roberto Iacone as our second Entrepreneur in Residence in March 2020.

The year ahead

We remain focused on driving realisable value in our portfolio, and in turn our NAV, and I believe we are well positioned to do so through 2020 and beyond.

We have had a challenging year with our shareholder structure and volatility in our public portfolio companies, which in the near term continues with the emergence of a new risk in the form of coronavirus, but look ahead with confidence and see a portfolio that is maturing and has the potential to deliver real value.

I am privileged to lead such a talented and dedicated team, optimistic about the direction in which our business is heading and confident in the long-term value Arix can deliver.

Joe Anderson
Chief Executive Officer
9 March 2020

Financial Review

Arix's core focus is to invest in and build breakthrough biotech companies, whilst maintaining disciplined capital allocation.

2019 has been a year of transition for Arix's finances, during which the Group implemented a leaner structure and lower ongoing cost base. Arix's portfolio companies have continued to progress, although this year's results are marked by volatility in the valuation of Arix's listed investments, which has led to a reduction in the Group's net asset value, and a loss for the financial year.

At year-end, net asset value totalled £202.1 million, a reduction of £68.1 million compared to 2018's £270.2 million. This was predominantly driven by a net downward revaluation of Arix's investments of £58.6 million in the year (2018: £51.2 million positive revaluation).

Arix ended the year with cash and deposits of £54.6 million (2018: £91.2 million), the reduction predominantly driven by strong investment activity, with £39.2 million deployed across both new and existing portfolio companies; partially offsetting this, some initial modest realisations were seen (£8.9 million of proceeds).

Core Portfolio

Arix added one new company to its Core Portfolio during the year, co-leading the \$63 million Series B investment into Imara, with a commitment of \$15.0 million (£11.3 million). In the first half of the year, Harpoon Therapeutics completed its Nasdaq IPO, in which Arix invested a further \$6.0 million (£4.7 million); and Aura Biosciences successfully closed a Series D financing round, at a 33% uplift to the 2017 Series C, when Arix first invested in the company. Autolus Therapeutics also completed a follow-on financing, in April 2019, in which Arix invested a further £3.8 million. Investment pace slowed during the second half of the year, although milestone investments were made into Amplyx Pharmaceuticals, Aura Biosciences and Artios Pharma (the latter funded in January 2020), in line with existing commitments.

The Core Portfolio incurred a net negative revaluation of £54.6 million during the year, arising almost exclusively from Arix's listed investments. The majority of the impact was from Autolus Therapeutics, with Arix's stake falling by £50.8 million, compared to a £55.9 million positive revaluation in 2018. Other notable decreases in the value of listed stakes were seen with LogicBio Therapeutics (£7.7 million) and Pharmaxis (£2.6 million). Arix's stake in Harpoon Therapeutics increased in value by £6.1 million in the period, while the unlisted investments in the Core Portfolio contributed £1.9 million.

Shortly prior to year-end, with the stock at all-time highs, Arix realised 11% of its stake in Harpoon, at two times the average cost of investment, marking the first modest proceeds received from the Core Portfolio.

Discovery Portfolio

Arix holds its earliest stage assets in the Discovery Portfolio. This acts as a development pool for some of the most promising emerging areas of biotech, with the companies often in the initial stages of research and development. One new company was added to this portfolio in the year, as Arix co-led the €20 million Series A financing of Stipe Therapeutics, committing €5.7 million (£4.8 million), for a 19.8% stake. Meanwhile, a decision was taken to wind down Mitoconix Bio, in which Arix had invested £0.8 million. While it is always disappointing when a company does not reach its potential, this highlights Arix's risk-based approach, initially committing small amounts of capital split into milestone-dependent tranches, meaning cash is preserved when necessary levels of conviction are not achieved.

A positive development within the Discovery Portfolio was Quench Bio, which emerged from stealth mode shortly after year-end, concluding its Series A financing. Arix co-founded the company in 2018, alongside Atlas Venture, incubating the investment within the Discovery Portfolio over the past 18 months.

Other Interests

Arix's Other Interests reflect legacy holdings, which continue to wind down. Proceeds of £4.3 million were received during the year, while net writedowns of £4.5 million were recognised; at year-end, the remaining positions total £2.7 million.

Cash Position

Cash and deposits totalled £54.6 million at year-end, compared to £91.2 million the previous year. The reduction in the period was predominantly driven by ongoing deployment into Arix's portfolio, with £39.2 million invested. This was partially offset by the realisation of a portion of Arix's Harpoon holding, and by the wind down of Arix's Other Interests, which cumulatively generated £8.8 million of proceeds during the year.

At year-end, amounts committed to portfolio companies, upon completion of agreed milestones, totalled £8.5 million; this excludes 2019's £4.3 million investment in Artios, the funds for which were transferred in January 2020. Arix continues to take a prudent approach to cash management, reserving funds for both the anticipated future requirements of the portfolio and the ongoing costs of the business, leaving Arix well placed to continue supporting the existing portfolio.

Consolidated Statement of Comprehensive Income

The largest component of Arix's Statement of Comprehensive Income is the change in fair value of investments, which reduced by £58.6 million in the year (2018: increase of £51.2 million). The significant movements in this balance are discussed on the previous page.

Throughout 2019, Arix has been transitioning to a leaner organisational structure and lower cost base. Significant changes were made to the management team, with Sir Christopher Evans and James Rawlingson departing, and Jonathan Peacock moving to a Non-Executive role. The previously announced premises review resulted in the sub-letting of Arix's US office and a move to smaller location. Despite incurring a number of one-off costs associated with these changes during 2019, Administrative Expenses excluding Depreciation and Amortisation were £1.5 million lower than the previous year, at £9.3 million. Arix anticipates that these costs will be below £9.0 million in 2020.

As expected, Revenue decreased to £0.5 million (2018: £1.3 million), reflecting The Wales Life Sciences Investment Fund's reducing contribution as the fund enters the later years of its life. Interest income of £0.8 million (2018: £0.7 million) was earned on Arix's cash and deposits.

Other deductions in the period relate to foreign exchange losses of £4.4 million (2018: £4.6 million gain), predominantly arising from Arix's increasingly US dollar denominated investment portfolio; a one-off £0.5 million impairment relating to Arix's sub-let US property; a £0.8 million impairment to intangible assets; and a share based payment charge of £2.8 million (2018: £3.3 million).

Taxation

Movements in Arix's tax balance to date have principally related to deferred tax balances. Revaluations in Arix's investments are only taxable once realised, but a deferred tax charge is recognised in the same period as an unrealised revaluation. Where possible, Arix aims to take advantage of the UK's Substantial Shareholding Exemption, which exempts taxable gains or losses arising from the disposal of shares, where certain conditions are met.

Valuation Policy

Arix's investments are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines December 2018 ('IPEV Guidelines'). Quoted investments are marked-to-market at the period end. Unquoted investments are valued with reference to the most recent funding round; milestones; or by discounted cash flow.

Investment summary

Investment	Value 31 Dec 18 £m	Investment in period £m	Realisations in period £m	Change in Valuation £m	FX Movement £m	Value 31 Dec 19 £m	Fully Diluted Equity Interest £m	Fully Committed, Not Yet Invested £m	Fully Funded, Fully Diluted Equity Interest, %
Core portfolio									
Amplix Pharmaceuticals	3.2	1.9	—	—	(0.2)	4.9	3.0%	—	3.0%
Artios Pharma	10.9	4.3	—	—	—	15.2	12.4%	—	12.4%
Atox Bio	3.2	3.2	—	(1.2)	(0.2)	5.0	6.4%	0.2	6.5%

Aura Biosciences	3.9	3.4	–	1.2	(0.2)	8.3	7.7%	–	7.7%
Autolus	81.5	3.8	–	(50.8)	(0.7)	33.8	7.5%	–	7.5%
Harpoon Therapeutics	23.9	4.7	(4.3)	6.1	(1.5)	28.9	10.4%	–	10.4%
Imara	–	9.3	–	1.4	–	10.7	9.2%	2.1	9.9%
Iterum Therapeutics	4.3	–	–	(0.6)	–	3.7	7.3%	–	7.3%
LogicBio Therapeutics	24.3	–	–	(7.7)	(0.3)	16.3	13.0%	–	13.0%
Pharmaxis	6.4	–	–	(2.6)	(0.1)	3.7	11.1%	–	11.1%
VelosBio	5.2	–	–	0.5	(0.2)	5.5	8.9%	3.3	11.3%
Verona Pharma	2.5	–	–	(0.9)	–	1.6	2.5%	–	2.5%
	169.3	30.6	(4.3)	(54.6)	(3.4)	137.6		5.6	
Discovery portfolio	6.2	5.6	(0.3)	0.5	(0.4)	11.6		2.9	
Gross portfolio	175.5	36.2	(4.6)	(54.1)	(3.8)	149.2		8.5	
Other interests	8.5	3.0	(4.2)	(4.5)	(0.1)	2.7		–	
Total Investments	184.0	39.2	(8.8)	(58.6)	(3.9)	151.9		8.5	

Risk Management

The Group monitors a number of principal risks and uncertainties that may impact the business. These include financial, non-financial, internal and external concerns.

Risk management framework

The Directors are able to manage the business, and achieve its strategic objectives, due to an effective risk management framework which features multiple layers.

Board

Managing risk is a key responsibility of the Board, who set a strong tone, in line with best practice corporate governance.

Key committees

The Audit and Risk Committee oversees the effectiveness of the risk management processes.

The Remuneration Committee ensures incentives and reward are balanced and appropriate for achieving the strategy.

The Nomination Committee addresses the need for continuing strength at the senior levels of the Company and is responsible for succession planning.

Executive management

The management team is responsible for identifying, assessing and mitigating the day-to-day operational risks.

Portfolio Company boards and independent assurance

The boards of our Portfolio Companies are responsible for ensuring they meet key commercial objectives, and in this they are typically supported by senior members of the Aris Bioscience team, who also sit on their boards.

Independent assurance is provided by industry experts when required. For example, external advisors are engaged to provide regulatory compliance support to the Board of Aris Capital Management, Aris Bioscience's FCA-regulated fund management subsidiary.

Risks and Mitigants

The key risks to Arix have been assessed in light of the current environment; these, along with the steps taken by Arix to manage such risks, are detailed below.

Area	Risk	Impact	Mitigation
1 Clinical trial risks	<p>Arix's portfolio typically comprises companies that are engaged in clinical trials.</p> <p>There is a risk that the trials may produce negative or inconclusive results.</p>	<p>Negative clinical trial read outs may reduce the value of the portfolio company, potentially to nil. This would therefore result in a decrease in Arix's profitability, and reduce Arix's ability to generate positive cash flows from future realisations.</p> <p>Inconclusive read outs may both reduce the value of the portfolio company, impacting Arix's profitability, and require further capital to fund additional trials to seek further clarity in the results, adversely impacting Arix's cash flow.</p>	<p>Arix has an experienced team responsible for identifying and developing portfolio companies, resulting in a high standard of due diligence before the commitment of any capital. Post-investment, Arix typically has representatives on the company's board of directors, ensuring it is fully aware of business developments, and allowing for mitigation of possible issues as they arise.</p> <p>Arix funds a range of portfolio companies and continues to develop its portfolio across a range of therapeutic areas. Its diverse portfolio means that Arix's financial performance is not overly reliant on any one business.</p>
2 Personnel	<p>Arix's success is predicated on the quality of its investment decisions, which in turn is a product of the calibre of its investment team.</p> <p>There is a risk of Arix being unable to attract or retain staff of sufficient calibre.</p>	<p>The financial performance of Arix depends on its ability to identify and develop outstanding portfolio companies and, as such, is reliant on its key personnel.</p> <p>Loss of key individuals could reduce the quality of Arix's investment decision-making and therefore negatively affect Arix's financial performance and future prospects.</p>	<p>Arix's investment team have strong scientific backgrounds and are experienced life sciences investors.</p> <p>Arix has a market-appropriate remuneration scheme for its senior employees. This includes share incentive schemes, which reward personnel for long-term service and performance.</p> <p>Arix has three management members making up the Executive Committee performing active day-to-day roles who are able to provide emergency cover for each other over a short period.</p> <p>Arix's Nomination Committee is responsible for appropriate succession planning.</p>
3 Macroeconomic conditions	<p>Adverse market conditions may impact Arix's operational model.</p>	<p>An economic downturn, triggered by macroeconomic factors or a market shock such as coronavirus, may reduce opportunities for Arix to realise capital from portfolio companies, affecting cash flow and financial performance if portfolio valuations are reduced. The availability of capital for any external fundraising by Arix or its portfolio companies may also be affected.</p>	<p>Arix's strategy is to deploy capital into innovative businesses which have unique, high impact outcomes; Arix believes that such businesses are less susceptible to macroeconomic cycles.</p> <p>Arix has funded portfolio companies across a range of geographies, including the UK, USA, Europe, Israel and Australia. As such, it is not overly reliant on a downturn or market shock in a single geography.</p> <p>Arix monitors its availability of capital closely, ensuring sufficient funds are available for the investment and operational needs of the business.</p>
4 Legislation & regulation	<p>Changes to government policy or regulation in the</p>	<p>A change in government regulation (for example CFIUS in the United</p>	<p>Arix's portfolio is diversified by geography, with exposure to the UK, USA, Europe, Israel and Australia,</p>

	research, healthcare or life sciences industries could impact Arix or its portfolio companies.	States) may adversely affect the profitability of the healthcare and life sciences industry, resulting in a reduction in the number of investment opportunities, availability of external funding or potential exit opportunities for portfolio companies.	protecting the Group from the adverse actions of any one government. Arix's corporate team actively monitors changes to laws and regulation, and where considered necessary enlists the advice of relevant experts to consider any company or portfolio impacts.
5 Brexit	Brexit may have an impact beyond the risks described above in terms of by severity of a downturn or the nature of the impact.	Specific impacts could include: a depressed UK capital market that does not support the raising of capital for the Group or its UK-based portfolio companies; or a reduction in government-funded research in biotech, leading to reduced investment opportunities.	Arix has the ability to withstand a depressed capital market, including but not limited to the ability to dispose of a portion of its listed investments; withhold funds that are reserved for the existing portfolio; or the ability to issue up to 10% of share capital to a new investor. Arix also closely monitors available capital and holds cash reserves to cover future operating costs. Both Arix's portfolio and pipeline of future opportunities has a broad geographic spread, with limited exposure to the UK capital market and government policy. As such, its financial performance is not overly reliant on the UK market.

Viability statement

The Board has assessed the prospects of Arix over a period greater than 12 months. We have considered a period of three years from the balance sheet date, as the Board expects the majority of Arix's current commitments and new proceeds raised to be committed over the next three years, and therefore reflects the period over which the Group's cash flows are assessed internally.

A robust assessment of the principal risks and their mitigants has been carried out. The Board assessed Arix's business model, particularly its approach to future cash commitments to existing portfolio companies. Key judgements reflected how future cash requirements may change from restrictive regulations, and how the availability of capital may be impacted from the loss of key personnel.

Having initially started with a base case scenario considering Arix's finances over the assessment period, the estimated impacts on the Group's cash flow, as described above, are modelled, creating a range of adverse scenarios. An extreme downside case is then considered, reflecting the estimated cash flow impact of all considered risks occurring concurrently. Finally, the analysis considers the mitigating actions the Group could take to reduce the financial impact of the noted risks.

Based on its review, and the consideration of any changes that had occurred post year-end, the Board has a reasonable expectation that Arix will be able to continue in operation and meet its liabilities as they fall due over a three-year period from the date of this report and confirm that preparing the financial statements on a going concern basis is appropriate.

Consolidated statement of comprehensive income

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Change in fair value of investments	11	(58,642)	51,173

Revenue	3	506	1,328
Administrative expenses	6	(9,709)	(11,698)
Operating (loss) / profit		(67,845)	40,803
Net finance income	7	769	708
Foreign exchange (losses) / gains		(4,443)	4,583
Impairment of right-of-use and intangible assets		(1,259)	–
Share-based payment charge	18	(2,790)	(3,333)
(Loss) / profit before taxation		(75,568)	42,761
Taxation	9	5,883	(5,883)
(Loss) / profit for the year		(69,685)	36,878
Other comprehensive (expense) / income			
Exchange differences on translating foreign operations		(185)	1,269
Taxation	9	–	–
Total comprehensive (expense) / income for the year		(69,870)	38,147
Attributable to			
Owners of Arix Bioscience plc		(69,870)	38,147
Earnings per share			
Basic earnings per share (p)	10	(53.8)	32.1
Diluted earnings per share (p)	10	(53.8)	29.7

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

Consolidated statement of financial position

As at 31 December 2019

	Note	2019 £'000	2018 £'000
ASSETS			
Non-current assets			
Investments held at fair value	11	151,921	183,981
Intangible assets	12	688	1,770
Property, plant and equipment	13	160	313
Right of use asset		249	–
Investment property		366	–
		153,384	186,064
Current assets			
Cash and cash equivalents	15	54,638	31,009
Cash on long-term deposit	15	–	60,209
Trade and other receivables	14	1,106	2,174
Right of use asset		90	–

		55,834	93,392
TOTAL ASSETS		209,218	279,456
LIABILITIES			
Current liabilities			
Trade and other payables	16	(6,154)	(3,399)
Lease liability		(685)	–
Deferred tax liability	9	–	(5,883)
		(6,839)	(9,282)
Non-Current Liabilities			
Lease Liability		(271)	–
TOTAL LIABILITIES		(7,110)	(9,282)
NET ASSETS		202,108	270,174
EQUITY			
Share capital and share premium	17	188,585	188,585
Retained earnings		15,718	82,018
Other reserves		(2,195)	(429)
TOTAL EQUITY		202,108	270,174

The accompanying notes form an integral part of the financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 9 March 2020, and were signed on its behalf by

Joe Anderson

Chief Executive Officer

Consolidated statement of changes in equity

For the year 31 December 2019

	Share Capital and Premium £'000	Other Equity £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
As at 1 January 2019	188,585	(1,211)	782	82,018	270,174
Loss for the year	–	–	–	(69,685)	(69,685)
Other comprehensive (expense)/income	–	–	(780)	595	(185)
Share-based payment charge	–	–	–	2,790	2,790
Acquisition of own shares	–	(986)	–	–	(986)
Issue of own shares to employees	–	443	(443)	–	–
As at 31 December 2019	188,585	(1,754)	(441)	15,718	202,108

For the year ended 31 December 2018

	Share Capital and Premium £'000	Other Equity £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
As at 1 January 2018	105,125	–	(768)	42,088	146,445

Profit for the year	–	–	–	36,878	36,878
Other comprehensive income	–	–	1,550	(281)	1,269
Contributions of equity, net of transaction costs and tax	83,460	–	–	–	83,460
Share-based payment charge	–	–	–	3,333	3,333
Acquisition of own shares	–	(1,211)	–	–	(1,211)
Issue of own shares to employees	–	–	–	–	–
As at 31 December 2018	188,585	(1,211)	782	82,018	270,174

Consolidated statement of cash flows

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Net cash from operating activities	19	(9,242)	(11,018)
Finance income		769	–
Finance expenses		–	(12)
Tax paid		–	(28)
Net cash from operating activities		(8,473)	(11,058)
Cash flows from investing activities			
Purchase of equity investments		(34,858)	(55,228)
Disposal of equity and loan investments		8,791	–
Purchase of property, plant and equipment		(6)	(2)
Net cash received from / (placed on) long-term deposit		60,209	(60,209)
Net cash from investing activities		34,136	(115,439)
Cash flows from financing activities			
Net proceeds from issue of shares		–	83,460
Purchase of own shares by Employee Benefit Trust		(986)	(1,211)
Net cash from financing activities		(986)	82,249
Net increase/(decrease) in cash and cash equivalents		24,677	(44,248)
Cash and cash equivalents at start of year		31,009	74,938
Effect of exchange rate changes		(1,048)	319
Cash and cash equivalents at end of year		54,638	31,009

Notes to the financial statements

1. General Information

The principal activity of Arix Bioscience plc (the 'Company') and its subsidiaries (together the 'Arix Group' or 'the Group') is to invest in and build breakthrough biotech companies around cutting edge advances in life sciences.

The Company is incorporated and domiciled in the United Kingdom. Arix Bioscience plc was incorporated on 15 September 2015 as Perceptive Bioscience Investments Limited and changed its name to Arix Bioscience Limited. It subsequently re-registered as a public limited company and changed its name to Arix Bioscience plc. The address of its registered office is 20 Berkeley Square, London, W1J 6EQ. The registered number is 09777975.

2. Accounting Policies

A. Basis of preparation

The consolidated financial statements of the Arix Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by the European Union. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) as adopted by the European Union.

The financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. The financial statements are presented in British pounds sterling, which is the functional and presentational currency of the Company, and the presentational currency of the Group; balances are presented in thousands of British pounds sterling unless otherwise stated.

The Arix Group has applied all standards and interpretations issued by the IASB that were effective at the period end date. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented.

Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Arix Group's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant estimates are made by the Arix Group when determining the appropriate methodology for valuing investments (see Note 2(i)) and share-based payments (see Note 2(o) and Note 18).

In preparing these financial statements, the Directors have considered the relationship that the Group has with The Wales Life Sciences Investment Fund (the "WLSIF") and specifically as to whether the Group controls WLSIF. The Directors note that while Arix Capital Management Limited (a 100% subsidiary of Arix Bioscience plc), in its role as fund manager to WLSIF, and Arthurian Life Sciences SPV GP Limited (a 100% subsidiary of Arix Bioscience plc) in its role as general partner of the WLSIF, both exercise power over the activities of WLSIF, they do not have sufficient exposure to variability of returns from WLSIF to meet the definition of control and therefore acts as agents, rather than principals of WLSIF. Accordingly, WLSIF has not been consolidated into these financial statements.

B. Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Arix Group has control. The Arix Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

The consolidated financial statements comprise a consolidation of the subsidiary entities listed below. This table contains the disclosures required by Section 409 of the Companies Act 2006 for subsidiaries.

Entity	Country of Incorporation	Registered Address	Ownership
Arix Bioscience Holdings Limited	England and Wales	20 Berkeley Square, London, W1J 6EQ	100%
Arix Bioscience, Inc	United States	214 West 29th Street, 2nd Floor, New York NY 10001	100%
Arix Capital Management Limited	England and Wales	Sophia House, 28 Cathedral Road, Cardiff, CF11 9LJ	100%

Arthurian Life Sciences GP Limited	Scotland	16 Charlotte Square, Edinburgh, EH2 4DF	100%
ALS SPV Limited	England and Wales	20 Berkeley Square, London, W1J 6EQ	100%
Arthurian Life Sciences SPV GP Limited	England and Wales	Sophia House, 28 Cathedral Road, Cardiff, CF11 9LJ	100%
Arix Bioscience plc Employee Benefit Trust	Jersey	26 New Street, St Helier, Jersey, JE2 3RA	100%
Arthurian Life Sciences Carried Interest Partner LP	Scotland	16 Charlotte Square, Edinburgh, EH2 4DF	100%
Arix Bioscience Pty Limited*	Australia	Level 27, AMP Centre, 50 Bridge Street, Sydney NSW 2000	100%

All companies are involved in investing in and building breakthrough biotech companies around cutting edge advances in life sciences, other than Arix Capital Management and the Arthurian Life Sciences companies, which are engaged in fund management activity, and Arthurian Life Sciences Carried Interest Partner LP, which holds a financial interest in a limited partnership.

*Arix Bioscience Pty Limited, a dormant company, was deregistered on 8 January 2020.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Associates

Associates are entities over which the Group has significant influence, but does not control, generally accompanied by a shareholding of between 20% and 50% of the voting rights.

No associates are presented on the Statement of Financial Position as the Group elects to hold such investments at fair value through profit and loss. This treatment is permitted by IAS 28 Investment in Associates and Joint Ventures, which permits investments held by entities that are akin to venture capital organisations to be excluded from its measurement methodology requirements where those investments are designated, upon initial recognition, at fair value through profit or loss and accounted for in accordance with IFRS 9 Financial Instruments. Changes in fair value of associates are recognised in the Statement of Comprehensive Income in the period in which the change occurs. The Group has no interests in associates through which it carries on its business.

The disclosures required by Section 409 of the Companies Act 2006 for associated undertakings are included in Note 11 to the financial statements. Similarly, those investments which may not have qualified as an associate but fall within the wider scope of significant holdings and so are subject to Section 409 disclosure acts are also included in Note 11 to the financial statements.

WLSIF is considered neither a subsidiary nor an associate, as detailed in Note 2(a).

C. Adoption of new and revised standards

Certain new accounting standards and interpretations have been applied by the Group from 1 January 2019. The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS16 'Leases'

The Group has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities

were measured at the present value of the remaining lease payments. Right of use assets were measured at the amount equal to the lease liability. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application, although one right of use asset has subsequently been impaired, in line with IFRS 16.

Assessment for Impairment and Resulting Investment Property

The Group has assessed its right of use assets for impairment, in line with IAS 36 Impairment of Assets. During the year, the Group vacated its New York office at 250 West 55th Street, and has sub-let that space. The right of use asset at 250 West 55th Street has therefore been impaired to its fair value, being the expected proceeds to the Group from sub-letting. As the property no longer contributes to the Group's core business and is able to produce its own independent cash flows it is considered its own cash generating unit, and is therefore required to be classified as an investment property in line with IAS 40 Investment Property. The property is held at its fair value, being the expected proceeds to the Group from sub-letting.

D. Revenue recognition

Revenue is generated from fund management fees, and from Non-Executive Directors' fees. Fund management fees are earned as a percentage of funds managed and are recognised in the period in which these services are provided. Non-Executive Directors' fees are recognised on an accruals basis.

E. Foreign currency translation

The assets and liabilities of foreign operations are translated to Group's presentational currency (British pounds sterling) at foreign exchange rates ruling at the period-end date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

F. Leases

As explained in Note 2(c) above, the Group has changed its accounting policy for leases. Until 31 December 2018, leases of the Group's premises were classified as operating leases. Rents payable under operating leases were charged against income on a straight-line basis over the lease term, even if payments were not made on such a basis.

G. Exceptional items

Items that are material in size and unusual in nature are disclosed separately to provide a more accurate indication of underlying performance.

H. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets:

Office equipment	Three years
Fixtures and fittings	Five years
Office furniture	Five years
Leasehold property	Five years

I. Financial assets

The Arix Group classifies its financial assets as either at fair value through profit or loss or amortised cost. The classification depends on the purpose for which the financial assets have been acquired and is determined on initial recognition.

Amortised cost assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Arix Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Arix Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Arix Group has transferred substantially all risks and rewards of ownership.

Equity investments

Those investments in the Arix Group that are held with a view to the ultimate realisation of capital gains are recognised as equity investments within the scope of IFRS 9 and are classified as financial assets at fair value through profit or loss. This includes investments in associated undertakings, as per Note 11. When financial assets are initially recognised they are measured at fair value. They are subsequently remeasured at their fair value if a valuation event occurs.

Valuation of investments

The fair value of the Group's investments is determined using International Private Equity and Venture Capital Valuation Guidelines December 2018 ('IPEV Guidelines'), which comply with IFRS.

The fair value of quoted investments is based on bid prices at the period end date.

Upon investment, the fair value of unlisted securities is recognised at cost. Similarly, following a further funding round with participation by at least one third party, the price of the funding round is generally considered to represent the investment's fair value at the transaction date, although the specific terms and circumstances of each funding round must always be considered.

Following the transaction date, each investment is observed for objective evidence of an increase or impairment in its value. This reflects the fact that investments made in seed, start-up and early stage biotech companies often have no current and no short-term future revenues or positive cash flows; in such circumstances, it can be difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts. As such, the Group carries out an enhanced assessment based on milestone analysis, which seeks to determine whether there is an indication of a change in fair value based on changes to the company's prospects. A milestone event may include, but is not limited to, technical measures, such as clinical trial progress; financial measures, such as a company's availability of cash; and market measures, such as licensing agreements agreed by the company. Indicators of impairment might include significant delays to clinical progress, technical complications or financial difficulties. Often qualitative milestones provide a directional indication of the movement of fair value. Calibrating such milestones may result in a fair value equal to the transaction value. Any ultimate change in valuation reflects the assessed impact of the progress against milestones and the consequential impact on a potential future external valuation point, such as a future funding round or initial public offering.

When forming a view of the fair value of its investment, the Arix Group takes into account circumstances where an investment's equity structure involves different class rights on a sale or liquidity event.

The valuation metrics used in these financial statements are discussed in Note 11.

Although the Directors use their best judgement, there are inherent limitations in any valuation techniques. Whilst fair value estimates presented herein attempt to present the amount the Arix Group could realise in a current transaction, the final realisation may be different, as future events will also affect the current estimates of fair value. The effects of such events on the estimates of fair value, including the ultimate realisation of investments, could be material to the financial statements.

Treatment of gains and losses arising on fair value

Realised and unrealised gains and losses on financial assets at fair value through profit and loss are included in the Statement of Comprehensive Income in the period in which they arise.

Recognition of financial assets

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

At the end of each reporting period the Group assesses whether there is objective evidence that its loans and other receivables are impaired. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Comprehensive Income within administrative expenses. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income within administrative expenses. The Group's financial assets that are subject to IFRS 9's expected credit loss model are its loans and receivables, cash and cash equivalents and cash on long term deposit. The identified impairment loss is considered immaterial.

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Arix Group or the counterparty. Where these conditions are met, the net amount is reported in the Statement of Financial Position.

J. Cash and cash equivalents and Cash on long-term deposit

Cash and cash equivalents comprise cash at bank and in hand, call deposits and bank overdrafts. Cash on long-term deposit comprises cash held on term deposit for a period of at least three months.

K. Goodwill and intangible assets

Intangibles were acquired by the Arix Group as part of the acquisition of Arix Capital Management Limited and Arthurian Life Sciences SPV GP Limited.

It is the policy of the Arix Group to amortise these fair values over the period in which the Arix Group is expected to obtain economic benefit from the related intangible assets. The excess of consideration transferred over the fair value of net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the Statement of Comprehensive Income as a bargain purchase. The asset is assessed for impairment periodically and marked down appropriately if an indication of impairment is noted.

L. Share capital

Ordinary shares and Series C Shares are classified as equity. Equity instruments issued by the Arix Group are recorded at the proceeds received, net of direct issue costs.

Own shares represent shares of Arix Bioscience plc that are held by an employee share trust for the purpose of fulfilling obligations in respect of various employee share plans. Own shares are treated as a deduction from equity until the shares are cancelled, reissued or disposed of. When they vest, they are transferred from own shares to retained earnings at their weighted average cost.

M. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

If not, they are presented as non-current liabilities.

Trade payables are initially recognised at fair value, generally being the invoiced amount and are subsequently measured at amortised cost, using the effective interest method.

N. Current and deferred taxation

The tax expense for the year comprises deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Arix Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheets, using the liability method. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

O. Share-based payments

The Arix Group operates an equity incentive plan and an executive share option plan in which the Group's founders also participate. Share options must be measured at fair value and recognised as an expense in the Statement of Comprehensive Income with a corresponding increase in equity. The fair value of the option is estimated at the date of grant using a Black-Scholes Model or Monte Carlo simulation and is charged as an expense in the Statement of Comprehensive Income over the vesting period. Where relevant, the charge is adjusted each year to reflect the expected and actual level of vesting. Estimation uncertainty arises with this balance as the calculation incorporates assumptions for share price, exercise price, expected volatility (based on similar quoted companies), risk-free interest rate and share option term. Further detail on Share-based Payments is available in Note 18.

P. Financial risk management

The Arix Group is exposed to market risk, interest rate risk, credit risk and liquidity risk. The senior management oversees the management of these risks and ensures that the financial risk taking is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Arix Group's policies and risk appetite.

The Board of Directors review and agree the policies for managing each of these risks, which are summarised below:

Market risk

Foreign exchange risk – the Arix Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and euros. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Arix Group has certain investments whose net assets are exposed to foreign currency translation risk; at period-end the Arix Group held US dollar-denominated assets valued at \$126.5m; euro-denominated assets valued at €4.7m; Canadian dollar-denominated assets valued at C\$0.2m; and Australian dollar-denominated assets valued at A\$7.0m. A 10% appreciation in each currency would have a £9.4m negative impact on Arix's Income Statement; a 10% depreciation would have a £11.5m positive impact on Arix's income statement. The impact of foreign exchange on these holdings is closely monitored.

Price risk – the Arix Group is exposed to equity securities price risk because investments are held at fair value through profit or loss.

The Group's strategy is to deploy long term capital into innovative companies which have novel, high-impact outcomes; Arix believes that such companies are less susceptible to macroeconomic cycles. The Group monitors the availability of its capital closely, ensuring sufficient balances are available for the continuing operation of the business throughout the period assessed in the viability statement.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Arix Group's income is substantially independent of changes in market interest rates. Interest-bearing assets include only cash and cash equivalents, which earn interest at variable rates. The Arix Group has a treasury policy to manage cash and cash equivalents. In the year ended 31 December 2019, a 10% change in underlying interest rates would have impacted Arix's Finance Income by £71k.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Arix Group. The major classes of financial assets of the Arix Group are cash and cash equivalents (£54.6m (2018: £31.0m)); cash on long-term deposit (£nil (2018: £60.2m)); and trade and other receivables (£1.1m (2018: £2.2m)).

Risk of counterparty default arising on cash and cash equivalents is controlled within a framework of dealing with high-quality institutions.

As at 31 December 2019, 100% of cash and cash equivalents and cash on long-term deposit was deposited with institutions that have a credit rating of at least category A+, according to Fitch ratings.

No counterparty has failed to meet its obligations over the period. The maximum exposure to credit risk is represented by the carrying amount of each asset. Management does not expect any significant counterparty to fail to meet its obligations.

Liquidity risk

The Arix Group manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements. The following table details the Group's remaining contractual maturity for its financial liabilities based on undiscounted contractual payments:

	Within one year £'000	Total £'000
Trade, Other Payables and Accruals (excluding non-financial liabilities)	6,154	6,154

Capital risk management

The Arix Group manages its capital to ensure that it will be able to continue as a going concern, whilst also maximising the operating potential of the business. The capital structure of the Arix Group consists

of equity attributable to equity holders of the Arix Group, comprising issued capital and retained earnings as disclosed in the Consolidated Statement of Changes in Equity. The Arix Group is not subject to externally imposed capital requirements.

3. Revenue

	2019 £'000	2018 £'000
Fund management fee income	480	866
Other income	26	462
	506	1,328

The total revenue for the Arix Group has been derived from its principal activity of investing in and building breakthrough biotech companies around cutting edge advances in life sciences. All of this revenue relates to trading undertaken in the United Kingdom.

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. Although Arix makes investments globally, these are considered by one Investment Committee and reported internally as a single portfolio. 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. (Loss)/Profit Before Taxation

	2019 £'000	2018 £'000
Amortisation	(287)	(287)
Depreciation	(159)	(216)
Impairment of right of use asset	(464)	—
Impairment of intangible asset	(795)	—
Auditors' remuneration		
Statutory audit services		
Fees payable for the audit of the Arix Group accounts	141	135
Fees payable for the audit of the accounts of subsidiaries of the Arix Group	48	40
Non-audit services		
Other assurance and advisory services	36	195
Total auditors' remuneration	225	370

Non-audit services in the year relate to the Arix Bioscience plc interim review (£30k) and an FCA Client Asset Report (£6k) (2018: capital raise £150k; remuneration advice £10k; interim review £29k; FCA Client Asset Report £6k).

6. Administrative Expenses

The administrative expenses charge broken down by nature is as follows:

	2019 £'000	2018 £'000
Employment costs	5,637	6,537

Recruitment costs	147	563
Consultancy fees	320	512
Other expenses	3,605	4,086
	9,709	11,698

7. Net Finance Income/(Expenses)

	2019 £'000	2018 £'000
Bank interest	769	720
Bank charges	–	(12)
	769	708

8. Employee Costs

Employee costs (including Directors) comprise:

	2019 £'000	2018 £'000
Salary and bonus	4,808	5,651
Social security costs	532	580
Pension and benefits costs	297	306
	5,637	6,537

9. Income Tax

	2019 £'000	2018 £'000
Current year tax charge		
Current tax	–	–
Deferred tax – current year	(5,760)	6,665
Deferred tax – effect of change in tax rates	687	(782)
Adjustment in respect of previous periods	(810)	–
Total tax (credit) / charge	(5,883)	5,883

Reconciliation of tax charge

(Loss) / profit before tax	(75,568)	42,761
Expected tax based on 19.00% (2018: 19.00%)	(14,358)	8,124
Effects of:		
Expenses not deductible for tax purposes	12,120	3,101
Adjustment in respect of previous periods	(810)	–
Income not taxable	(9,808)	(2,926)
Impact of rate between deferred tax and current tax	693	(777)
Recognition of items previously not recognised	–	(2,646)
Net gains / (losses)	(6)	–
Employee share options	116	23
Deferred tax not recognised	6,170	984
Total tax (credit) / charge	(5,883)	5,883

Recognised deferred tax provisions

Brought forward	5,883	–
Relating to Profit and loss	(5,883)	5,883
Relating to Other comprehensive income	–	–
Carried forward	–	5,883

Represented by:

Unutilised tax losses	(8)	(2,835)
ACAs	–	(17)
Intangibles	276	325
Employee benefits	(276)	(373)
Investments	9	8,784
Other timing differences	(1)	(1)
	–	5,883

Unrecognised deferred tax provisions

Unutilised tax losses	(5,263)	(996)
Priority profit share outstanding	69	–
Other timing differences	(299)	–
	(5,493)	(996)

10. (Loss)/Earnings per Share

On 4 January 2019, the Group issued 114,358 ordinary shares, in relation to certain share awards. On 1 May 2019, 530,000 shares were issued, in relation to certain share awards. On 2 July 2019, 84,249 shares were issued, in relation to certain share awards. As at 31 December 2019, the Group had 135,551,850 ordinary shares in issue (2018: 134,823,243).

At the year-end date, 5,080,582 of the ordinary shares were subject to restrictions. These shares are not entitled to vote, attend meetings or to receive dividends or other distributions. Consequently, restricted shares have been excluded from the calculation of the weighted average number of shares in issue.

Basic earnings per share is calculated by dividing the profit 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.

No adjustment has been made to the basic loss per share in the year ended 31 December 2019, as the exercise of share options would have the effect of reducing the loss per ordinary share, and therefore is not dilutive. Potentially dilutive ordinary shares relate to contingently issuable shares arising under the Group's Executive Incentive Plan.

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
(Loss)/profit attributable to equity holders of Arix Bioscience plc	(69,870)	38,147
Weighted average number of shares in issue for the purposes of basic earnings per share	129,948,773	118,787,412
Weighted average number of shares in issue for the purposes of diluted earnings per share	129,948,773	128,521,402
Basic (loss)/earnings per share	(53.8p)	32.1p
Diluted (loss)/earnings per share	(53.8p)	29.7p

11. Investments

Equity Investments

	Level 1 – Quoted Investments £'000	Level 3 – Unquoted Investments £'000	Total £'000
At 1 January 2019	118,982	64,999	183,981
Additions	8,485	30,681	39,166
Disposals	(4,277)	(4,514)	(8,791)
Transfers	23,131	(23,131)	–
Unrealised (loss)/gain on investments	(56,475)	(2,167)	(58,642)
Foreign exchange losses	(2,002)	(1,791)	(3,793)
At 31 December 2019	87,844	64,077	151,921

Transfers from Level 3 to Level 1 reflects companies which have listed during the year. Level 3 investments are valued with reference to either the most recent funding round (£37.6m, 2018: £33.4m); net asset value (£1.4m, 2018: £4.5m); market-based write-up (£22.7m, 2018: £23.8m); discretionary write-down (£2.4m, 2018: £3.2m); or by discounted cash flow (£nil, 2018: £nil). See Note 2(I) for further details on the valuation of Level 3 investments.

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. Significant influence is determined to exist when the Group holds more than 20% of the holding or when less than 20% is held but in combination with a certain level of board representation is deemed to be able to exert significant influence. As at 31 December 2019, the Arix Group is deemed to have significant influence over the following entities:

Company	Country of Incorporation	Registered Address	% of Issued Share Capital Held	Net Assets/ (Liabilities) of Company	Profit/(Loss) of Company	Date of Financial Information
Depixus SAS (EUR)	France	3-5 Impasse Reille, 75014 Paris	20.7%	1,948	(1,439)	31 December 2017
Quench Bio, Inc (USD)	USA	400 Technology Square, Cambridge, MA 02139	32.4%	N/A	N/A	Not publicly available
Stipe Therapeutics Aps (EUR)	Denmark	Lyngsievvej 18, 8230 Abyhøj	14.8%	N/A	N/A	Not publicly available

In addition, at 31 December 2019, the Group held the following investments in companies where it is not considered to have significant influence:

Company	Board Seat?	% of Issued Share Capital Held
Amplix Pharmaceuticals, Inc.	Observer	3.0%
Artios Pharma Limited	Y	12.4%
Atox Bio, Inc.	Y	6.4%
Aura Biosciences, Inc.	Y	7.7%
Autolus Therapeutics plc	Y	7.5%
Harpoon Therapeutics, Inc.	Y	10.4%
Imara, Inc.	Y	9.2%
Iterum Therapeutics Limited	Y	7.3%
LogicBio Therapeutics, Inc.	Y	13.0%

OptiKira, LLC	Y	13.3%
Pharmaxis Limited	Y	11.1%
PreciThera, Inc	N	13.9%
VelosBio, Inc.	Y	8.9%
Verona Pharma plc	N	2.5%

The Arix Group has an interest in one structured entity, The Wales Life Sciences Investment Fund (registered address: Sophia House, 28 Cathedral Road, Cardiff, Wales, CF11 9LJ). The fund has interests in Welsh life sciences opportunities. A structured entity is an entity that is structured in such a way that voting or similar rights are not the dominant factor in deciding who controls the entity. The Arix Group is not deemed to have control over this fund for the reasons disclosed in Note 2(a). The Group's interest is recognised within both Investments and Receivables, and totals £1.7m at year-end (2018: £5.5m); the Group's exposure is limited to the carrying value within Investments and Receivables.

12. Intangible Assets

	Year Ended 31 December 2019	Year Ended 31 December 2018
Brought forward	1,770	2,057
Amortisation	(287)	(287)
Impairment in period	(795)	—
	688	1,770

An intangible asset arose on Arix Bioscience plc's acquisition of Arthurian Life Sciences entities, relating to management fees due to Arix Capital Management Limited as a result of managing The Wales Life Sciences Investment Fund. These fees are amortised over the remaining life of the fund. The expected fees to be received over the remaining life of the fund have been reduced, resulting in an impairment to the asset in the period.

13. Property, Plant and Equipment

Year ended 31 December 2019

	Fixtures and Fittings £'000	Leasehold Improvements £'000	Office Equipment £'000	Total £'000
As at 1 January 2019	258	25	30	313
Exchange translation adjustments	—	—	—	—
Additions	—	—	6	6
Depreciation charge	(120)	(10)	(29)	(159)
At 31 December 2019	138	15	7	160

Year ended 31 December 2018

	Fixtures and Fittings £'000	Leasehold Improvements £'000	Office Equipment £'000	Total £'000
As at 1 January 2018	410	34	79	523
Exchange translation adjustments	2	1	1	4
Additions	—	—	2	2
Depreciation charge	(154)	(10)	(52)	(216)
At 31 December 2018	258	25	30	313

14. Trade and Other Receivables

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Trade receivables	771	1,734
Prepayments	264	359
VAT receivable	71	81
	1,106	2,174

The maximum exposure to credit risk at the reporting date is the carrying value of each asset class listed above. The Arix Group does not hold any collateral as security.

15. Cash and Cash Equivalents and Cash on Long-Term Deposit

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Cash at bank and in hand	54,638	31,009
Cash on long-term deposit	–	60,209

The carrying value of cash and cash equivalents and cash on long-term deposit approximates to its fair value.

16. Trade and Other Payables

The carrying values of trade and other payables approximates their fair value.

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Trade payables	123	228
Accruals and other payables	6,031	3,171
	6,154	3,399

17. Share Capital

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Allotted and called up		
135,551,850 ordinary shares of £0.00001 each (2018: 134,823,243 shares)	1	1
49,671 Series C shares of £1 each (2018: 49,671 shares)	50	50

On 4 January 2019, the Group issued 114,358 ordinary shares, in relation to certain share awards. On 1 May 2019, 530,000 shares were issued, in relation to certain share awards. On 2 July 2019, 84,249 shares were issued, in relation to certain share awards. As at 31 December 2019, the Group had 135,551,850 ordinary shares in issue (2018: 134,823,243).

At the year-end date, 5,080,582 of the ordinary shares were subject to restrictions. These shares are not entitled to vote, attend meetings or to receive dividends or other distributions. Consequently, restricted shares have been excluded from the calculation of the weighted average number of shares in issue. There are no Treasury Shares in issue.

18. Share Options

During 2019, share-based payment expenses have been recognised relating to a range of share schemes operated by the Arix Group.

	Year Ended 31 December 2019 £'000	Year Ended 31 December 2018 £'000
Executive Incentive Plan 2017	430	430
Executive Incentive Plan 2018	883	427
Executive Incentive Plan 2019	448	—
2017 IPO Award	213	1,470
Executive Share Option Plan	567	582
Founder Incentive Shares	179	348
Non-Executive Director Awards	70	76
	2,790	3,333

Executive Incentive Plan

The Arix Group operates an Executive Incentive Plan for Executive Directors and certain employees of the Company.

In May 2017, the Executive Directors and certain employees were awarded options or conditional awards which, in case of options will become exercisable at nil cost and in the case of the conditional share awards, will vest at nil cost on the third anniversary of their grant, on 26 May 2020, subject to performance criteria. This requires the share price to have grown by a set percentage over the assessment period, with the quantum of shares vesting dependent on the level of share price growth; 1,486,747 options were unvested at year-end (2018: 1,486,747). In the year ended 31 December 2019, a share-based payment charge of £430k (2018: £430k) was recognised in relation to the Executive Incentive Plan.

In May 2018, the Executive Directors and certain employees were awarded options or conditional awards which, in case of options, will become exercisable at nil cost and, in the case of the conditional share awards, will vest at nil cost on the third anniversary of their grant, on 17 May 2021, subject to performance criteria. This requires the share price to have grown by a set percentage over the assessment period, with the quantum of shares vesting dependent on the level of share price growth; 2,290,499 options were unvested at year-end (2018: 2,290,499). In the year ended 31 December 2019, a share-based payment charge of £883k (2018: £427k) was recognised in relation to the Executive Incentive Plan.

In May 2019, the Executive Directors and certain employees were awarded options or conditional awards which, in case of options, will become exercisable at nil cost and, in the case of the conditional share awards, will vest at nil cost at the end of the three year performance period, subject to performance criteria. This requires the share price to have grown by a set percentage over the assessment period, on 1 January 2022, with the quantum of shares vesting dependent on both the level of share price growth and the level of net asset value growth; 2,524,661 were issued in the period, all of which are unvested at year-end. In the year ended 31 December 2019, a share-based payment charge of £448k (2018: £nil) was recognised in relation to the Executive Incentive Plan. The charge relating to net asset value growth was calculated based upon the share price at grant of £1.5750, and the assessed likelihood of vesting. The charge relating to share price growth was calculated using a Monte Carlo simulation model, using assumptions relating to share price at grant (£1.5750); risk free interest rate (0.72%); time to vesting (3 years); and expected volatility based on comparable listed investments (39.6%).

IPO Award

In February 2017, the Executive Directors and certain employees were awarded one-off nil cost options or conditional awards in recognition of their contribution to the Company's initial public offering. The

options were granted on 22 February 2017; all options vested after two years, on 22 February 2019. 1,409,166 options were unvested at the start of the period; all vested, of which 439,799 were exercised at nil cost; 969,367 were unexercised at year-end. In the year ended 31 December 2019, a share-based payment charge of £213k (2018: £1,470k) was recognised in relation to the IPO Awards. The charge was calculated as the total number of options granted, at the IPO share price of £2.07, recognised across the two-year vesting period.

Executive Share Option Plan and Founder Incentive Shares

At the Arix Group's inception, an Executive Share Option Plan was in operation, in which two Directors participated. Options were granted on 8 February 2016 with an original exercise price of £1.80 per ordinary share. This was subsequently amended for one Director, with the exercise price reducing by £0.18 per annum for a five year period from February 2019 to February 2024. The number of ordinary shares subject to the options totals 5,520,559. The options vested in four equal proportions on 8 February of 2017, 2018, 2019 and 2020. The options may not be exercised after the tenth anniversary of the grant date and it will lapse on that date if it has not lapsed or been exercised in full before then. All options vest at the end of the vesting period relating to that option or on the occurrence of a contingent event; these include a change of control or cessation of employment in accordance with "good leaver" provisions.

No options have been exercised to date. In the year ended 31 December 2019, a share-based payment charge of £567k (2018: £582k) was recognised in relation to the Executive Share Option Plan, calculated using the Black–Scholes model. Assumptions used in the model relating to the risk free interest rate and expected volatility were unchanged from those used in the prior period.

Restricted shares with identical terms, including a £1.80 price for the lifting of restrictions, were offered to the founders of the Company, totalling 5,080,582 shares. As these relate to a former Director, no longer employed by Arix, the full remaining share based payment charge of £179k was recognised in the year ended 31 December 2019 (2018: £348k). The charge was calculated using the Black–Scholes model. Assumptions used in the model relating to the risk free interest rate and expected volatility were unchanged from those used in the prior period.

Non-Executive Director Awards

Pursuant to their respective letters of appointment, certain Non-Executive Directors received a one-off share award during the year; a share based payment charge of £70k (2018: £76k) was recognised during the period.

19. Net Cash From Operating Activities

	Year Ended 31 December 2019 £'000	Year Ended 31 December 2018 £'000
(Loss)/profit before income tax	(75,568)	42,761
Adjustments for:		
Change in fair value of investments	58,642	(51,173)
Foreign exchange losses/(gains)	4,443	(4,583)
Share-based payment charge	2,790	3,333
Depreciation and amortisation	446	503
Impairment of assets	1,259	—
Finance income	(769)	(708)
Changes in working capital		
Decrease/(increase) in trade and other receivables	1,068	(908)
Decrease in trade and other payables	(1,553)	(243)
Cash used in operations	(9,242)	(11,018)

20. Financial Commitments

The Group has amounts committed to portfolio companies but not yet invested; at 31 December 2019 these totalled £8.5m (2018: £21.0m).

21. Financial Instruments

Financial Assets

The Arix Group has other receivables and cash that derive directly from its operations. Financial assets at fair value through profit or loss are measured as either Level 1 or Level 3 under the fair value hierarchy, as described in Note 2(i) and disclosed in Note 11.

	Year Ended 31 December 2019 £'000	Year Ended 31 December 2018 £'000
Financial assets at fair value through profit or loss		
Equity investments	151,921	183,981
Loans and receivables		
Other receivables (excluding prepayments)	771	1,734
Long-term cash on deposit	–	60,209
Cash and cash equivalents	54,638	31,009

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The Arix Group's cash and cash equivalents are deposited with A+ rated institutions. Investments and other receivables do not have a credit rating. However, the Group does not believe these to be past due nor impaired.

Financial Liabilities

The Arix Group's principal financial liabilities comprise trade and other payables. The primary purpose of these financial liabilities is to finance the operations.

	Year Ended 31 December 2019 £'000	Year Ended 31 December 2018 £'000
Trade, other payables and accruals (excluding non-financial liabilities)	6,154	3,399

22. Guarantees

The Company has provided a rent deposit guarantee in respect of its former US office, now classified as an Investment Property, for an amount of \$261,657, (£198,456), unchanged from 2018.

23. Related Party Transactions

Consultancy fees plus expenses amounting to £130,262 (inclusive of VAT) (2018: £544,336) were payable to Merlin Scientific LLP during the period, a partnership controlled by Sir Chris Evans, a former Director and substantial shareholder of the Company. All contractual arrangements with Merlin Scientific LLP have ceased. At 31 December 2019, £nil (inclusive of VAT) (2018: £nil) was owed to Merlin Scientific LLP by the Company.

During the period, key management has comprised Executive Directors, whose remuneration is disclosed in the Directors Remuneration Report; and other members of the Executive Committee. These other members received short-term employee benefits of £371,834 in the year, relating to the period in which they were fulfilling key management responsibilities (2018: £nil).

24. Events After the Reporting Date

On 22 January 2020, a further \$1.9m (£1.5m) was invested in Iterum Therapeutics plc. The Arix Group's investment was in the form of convertible loan notes and royalty-linked senior subordinated notes.

On 24 January 2020, the Arix Group participated in the Quench Bio, Inc. Series A financing. Arix's aggregate commitment to the company now totals over \$12.5m, and the Group retains a stake in the company of over 20%.

On 27 January 2020, Autolus Therapeutics plc closed a public offering. The Arix Group did not participate; its stake in the company now totals 6.5%.

On 5 February 2020, the Arix Group completed the sale of its direct holding in Verona Pharma plc. Proceeds of £1.5m were received, in line with the investment's valuation as at 31 December 2019.

On 25 February 2020, a further \$2.7m (£2.1m) was invested in Imara, Inc., in line with existing commitments. The Group's fully diluted stake in the company now totals 9.9%.

ENDS