

A close-up photograph of a female scientist with dark hair tied back, wearing a white lab coat and purple safety goggles. She is looking through the eyepieces of a black and blue microscope. Her hands, wearing blue nitrile gloves, are visible near the base of the microscope. The background is a bright, out-of-focus laboratory setting. A diagonal white line divides the image from the top left to the bottom right, separating the text area from the photograph.

ARIX

INVESTING IN LIFE
CHANGING INNOVATION

ARIX BIOSCIENCE PLC (LSE:ARIX)

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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 high unmet need in healthcare.*”



ARIX OVERVIEW

PROPOSITION



Liquid access to private & public biotech companies

- » Listed on Main Market of London Stock Exchange (LSE: ARIX)
- » Portfolio of private and public biotech companies developing breakthrough treatments for patients
- » Transatlantic team sources best opportunities from US and Europe
- » Targeting double digit annual NAV per share growth

PORTFOLIO



Diversified portfolio

- » 10 companies across various therapeutic areas in the Core Portfolio
- » 6 private holdings; 4 public companies which all IPO'd on Nasdaq after initial private investment
- » Public Opportunities Portfolio of undervalued listed biotech companies
- » New investments target clinical-stage companies in areas of big pharma M&A interest

NET ASSET VALUE



Breakdown of NAV*:

- » Total NAV: £228.4m
- » Public portfolio: £36.6m
- » Private portfolio: £57.8m
- » Other interests: £2.7m
- » Cash balance: £131.3m
- » NAV per share: £1.77

ARIX BOARD OF DIRECTORS



» Peregrine Moncreiffe

Non-Executive Chairman

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



» Robert Lyne

Chief Executive Officer

Previously COO & General Counsel at Arix. 10 years' experience in listed venture capital and worked on 80+ VC financings and transactions. Broad experience of public company governance.



» Maureen O'Connell

Non-Executive Director

Global business executive, formerly Chief Financial Officer and Chief Administrative Officer of Scholastic Corporation



» Isaac Kohlberg

Non-Executive Director

Senior Associate Provost and Chief Technology Development Officer at Harvard University. Distinguished career protecting and commercializing IP for leading universities and research institutions



» Sir Michael Bunbury

Senior Independent Director

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

INVESTMENT TEAM



» Mark Chin

Managing Director

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



» Felix Breyer PhD

Associate

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

MARKET OPPORTUNITY



Healthcare spending continues to rise globally, both in absolute terms and as a proportion of GDP. Global healthcare spending in terms of GDP grew from 8.6% in 2000 to 9.9% in 2020. During this time, the amount spent on healthcare in the US alone tripled to \$4.1 trillion.^{1,2}



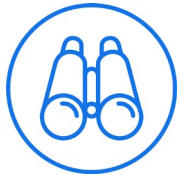
Global spending on pharmaceuticals increased from \$320bn in 2000 to \$1,250bn in 2021; North America and Europe account for >75% of worldwide sales.^{3,4,5}



51% of all approved drugs were first developed by independent biotechs.⁶



Between 2010 and 2021, Big pharma has spent on average ~\$150bn annually buying independent biotechs to gain access to their drug development pipelines.⁷



Arix seeks to identify the most promising biotech investment opportunities, where we see real potential for successful drug development and acquisition by big pharma

¹ WHO Global spending on health: Weathering the storm - <https://www.who.int/publications/i/item/9789240017788>

² Health System Tracker

³ GlobeNewswire - Pharmaceuticals Global Market Report 2021

⁴ IMS Health World Review

⁵ EFPIA - <https://www.efpia.eu/media/412931/the-pharmaceutical-industry-in-figures-2019.pdf>

⁶ FDA, S&P CapIQ

⁷ Pharma Intelligence Informa - https://pharmaintelligence.informa.com/~/_/media/informa-shop-window/pharma/2020/files/whitepapers/ma-whitepaper.pdf

INVESTMENT STRATEGY

Our focus

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



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



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

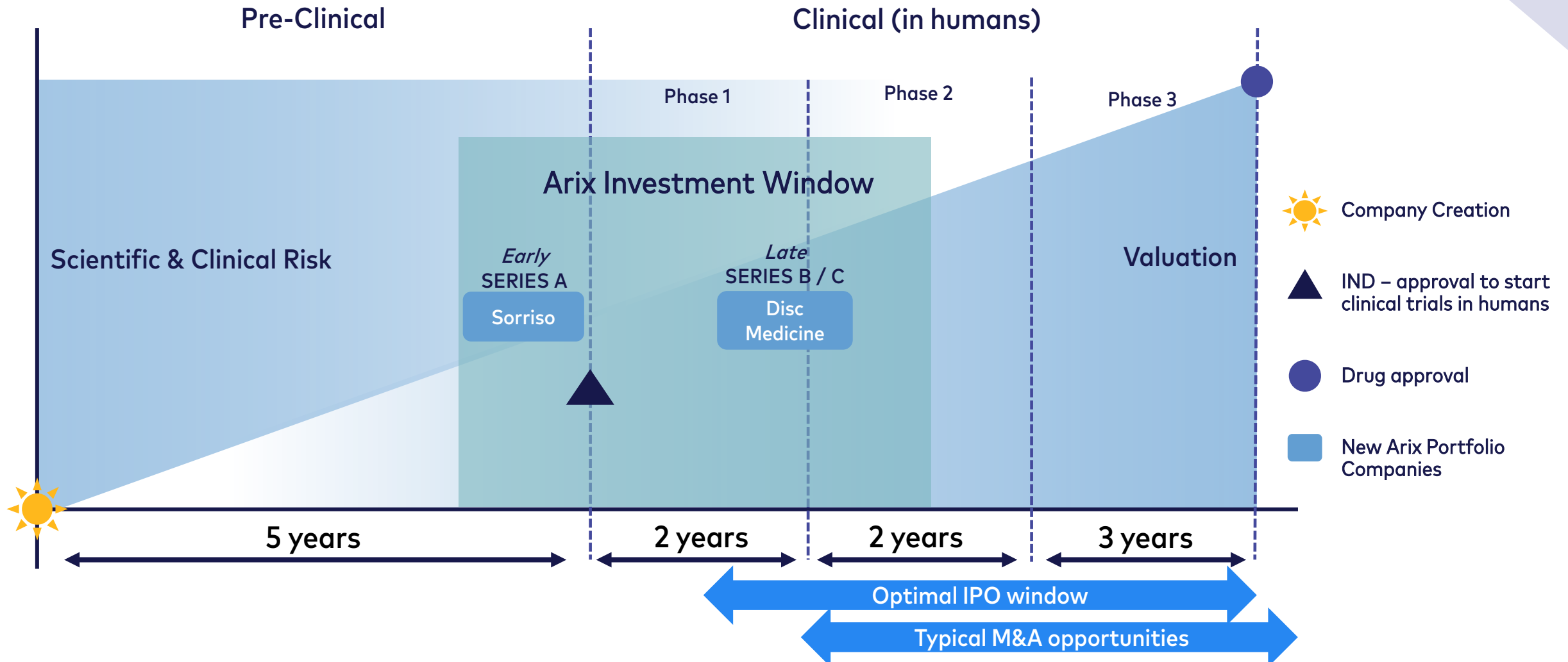


Our approach

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

INVESTMENT CYCLE

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

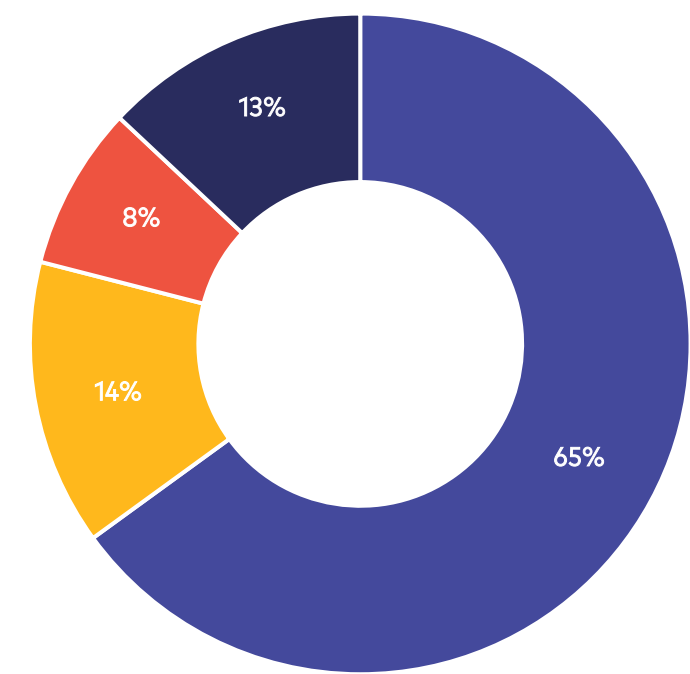




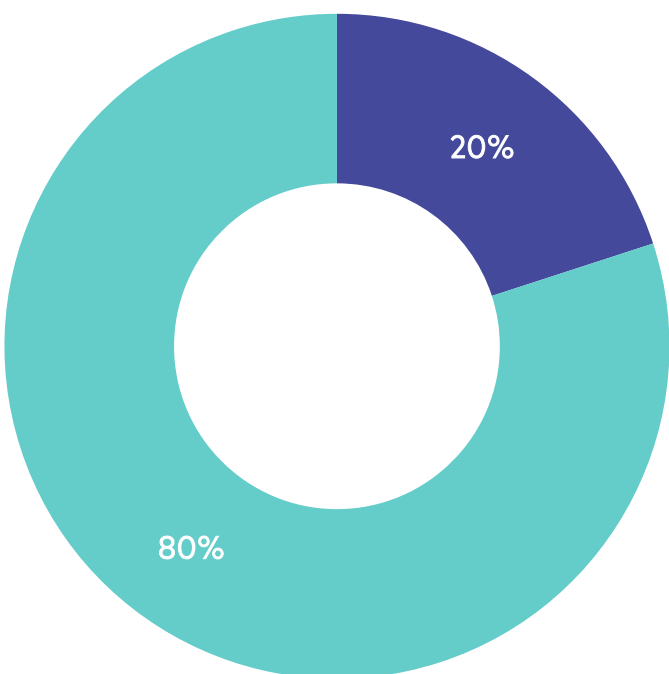
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PORTFOLIO OVERVIEW

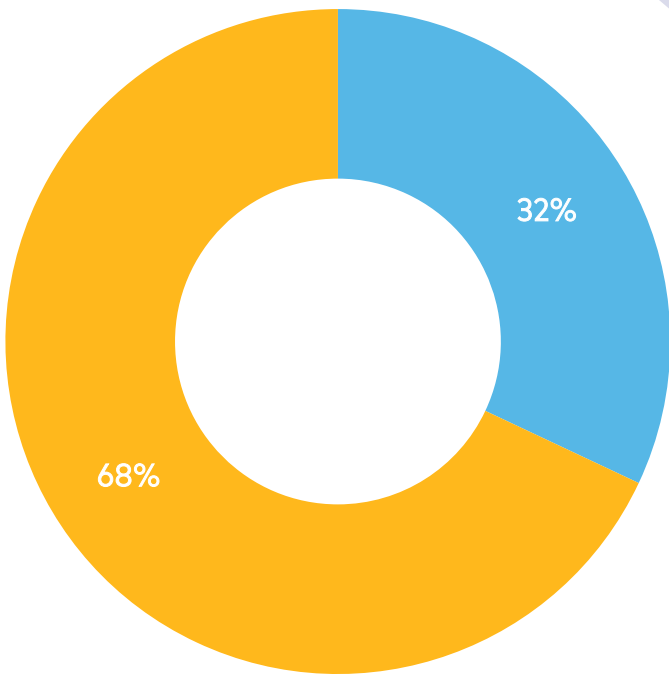
CORE PORTFOLIO IS WELL DIVERSIFIED ACROSS DISEASE AREAS AND STAGE OF DEVELOPMENT



■ Oncology ■ Genetic diseases ■ Immunology ■ Rare Disease













■ Pre-clinical ■ Clinical



■ Listed ■ Unlisted

PORTFOLIO COMPANY OVERVIEW

Breakdown of Core Portfolio*

Portfolio Company	Therapeutic Area	Company Stage	Structure	Date of Arix Investment	Expected Milestone	Owned** %	Value £m
	Oncology	Phase 1	Private	Sep '16	Safety / efficacy data	8.8%	25.0
	Oncology	Phase 2	NASDAQ	Dec '17	Efficacy data	5.5%	20.8
	Genetic Disease	Product development	Private	Jul '16	Proof-of-application	21.4%	7.9
	Oncology	Phase 1/2	NASDAQ	May '17	Efficacy data	6.7%	3.6
	Rare Disease	Phase 2	NASDAQ	Mar '19	Wind-down	8.9%	2.2
	Genetic Disease	Phase 1/2	NASDAQ	Jun '17	Efficacy data	2.2%	0.3
	Oncology	Preclinical	Private	Sep '19	IND filing	17.8%	4.9
	Genetic Disease	Preclinical	Private	Mar '21	<i>in vivo</i> POM	49.0%	3.8
	Rare Disease	Phase 1	Private	Sep '21	Safety/efficacy data	4.2%	8.7
	Immunology	Preclinical	Private	Dec '21	IND filing	26.0%	6.3

* At 31 May 2022 (unaudited)

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

NEW INVESTMENT: **disc**medicine



Source and investment rationale

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



Investment

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



Vision and next steps

- » Funding will enable Disc Medicine to advance its clinical programmes across multiple hematologic diseases
- » DISC-0974 is currently being studied in a phase 1 clinical trial of healthy volunteers, and the company presented positive data in June '22
- » Bitopertin, a phase 2 ready asset, will enter clinical trials this year
- » The Arix team will work to support Disc as they expand clinical development of their programs

NEW INVESTMENT:



Source and investment rationale

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



Investment

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














Vision and next steps

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

MULTIPLE UPCOMING PRE CLINICAL AND CLINICAL CATALYSTS

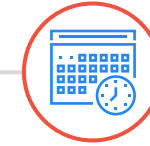
A rich and diversified portfolio to maximise potential returns

Company	Programme/Indication	Current Status	Next 12 Months
CLINICAL			
	AU-011 - choroidal melanoma (SC)	Phase 2	Final Ph2 safety and efficacy data Ph1b/2 data and select treatment regimen for select pivotal study design
	AU-011 - choroidal melanoma (IVT)	Phase 2	
	ART0380 - Advanced or metastatic solid tumours	Phase 1	Complete Ph1 dose escalation
	ART4215 - Advanced or metastatic solid tumours	Phase 1	Interim Ph1 safety data
	DISC-0974 - anemias	Phase 1	Ph1 SAD data (healthy volunteers) and initiation of Ph1b/2a trial
	Bitopertin - Erythropoietic porphyria	Phase 2-ready asset	Initiation of Ph2 trial and presentation of interim Ph2 data in 2H '22
	HPN536 - ovarian and pancreatic cancer	Phase 1/2a	Ph1/2a data presentation and selection of RP2D
	HPN217 - multiple myeloma	Phase 1/2	Ph1/2 data presentation and selection of RP2D
	HPN328 - small cell lung cancer	Phase 1/2	Ph1/2 data presentation and selection of RP2D
	LB-001 - MMA	Phase 1/2	Interim Ph 1/2 efficacy data
PRE-CLINICAL			
	AU-011 - Non-muscle invasive bladder cancer	Pre-Clinical	Ph1 initiation in 2H '22
	DDR nuclease inhibitors - Oncology	Pre-Clinical	Ongoing partnership with Merck KGaA
	RLT sensitisers - Oncology	Pre-Clinical	Ongoing partnership with Novartis
	ABBV-189 - Oncology	Pre-Clinical	Ongoing Partnership with Abbvie
	HPN601 - EpCAM/GI cancers	Pre-Clinical	IND filing in 2H '22
	Matriptase-2 inhibitor - hepcidin-dependent diseases	Pre-Clinical	To be announced
	SOR102 - Inflammatory bowel disease	Pre-Clinical	IND-enabling studies with anticipated IND filing by Q1 2023
	SOR104 - T-cell driven inflammatory diseases	Pre-Clinical	Completion of pharmacology studies in 2022
	ST317 - Solid tumours	Pre-Clinical	IND-enabling studies with anticipated IND filing by Q1 2023
Public Opportunities Portfolio	Indications across a number of therapeutics areas	Ranging from Phase 1 - Phase 2	Multiple readouts expected

PUBLIC OPPORTUNITIES PORTFOLIO

Taking advantage of opportunities in the public markets

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



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



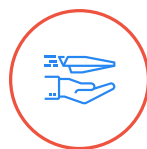
Source: Refinitiv



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**CASE STUDY:
Velos Bio**

SUCCESSFUL EXIT: VelosBio



The Opportunity

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



The Investment

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

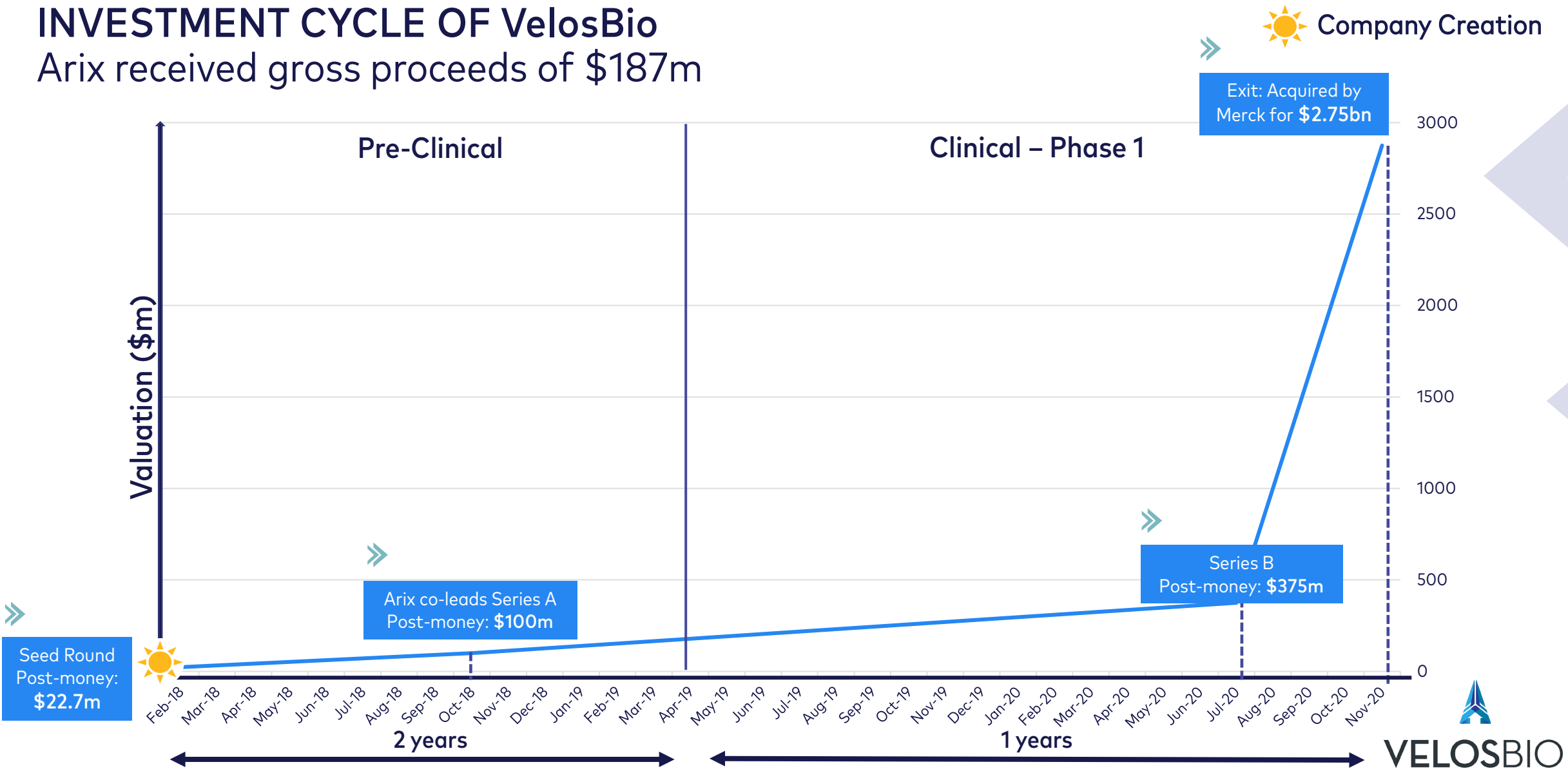


The Exit

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

INVESTMENT CYCLE OF VelosBio

Arix received gross proceeds of \$187m



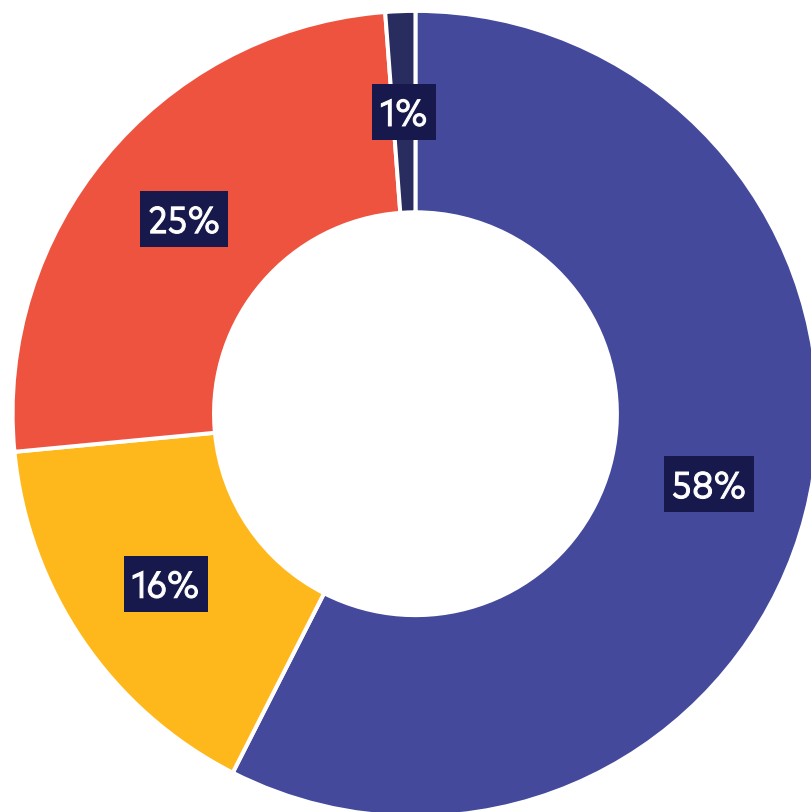


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FINANCIAL REVIEW

NAV BREAKDOWN: CASH / PUBLIC / PRIVATE / OTHER

NAV: £228.4m (177p per share)



■ Cash ■ Public ■ Private ■ Other

» **58%**
of the NAV is cash available
for new investments

» **16%**
of the NAV is in listed companies,
valued at market prices

» **25%**
of the NAV is in private companies
valued by reference to the most
recent third-party funding round,
or the original cost of investment

» **1%**
of the NAV is in other interests

SIGNIFICANT GROWTH IN PORTFOLIO VALUE SINCE INCEPTION

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

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

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

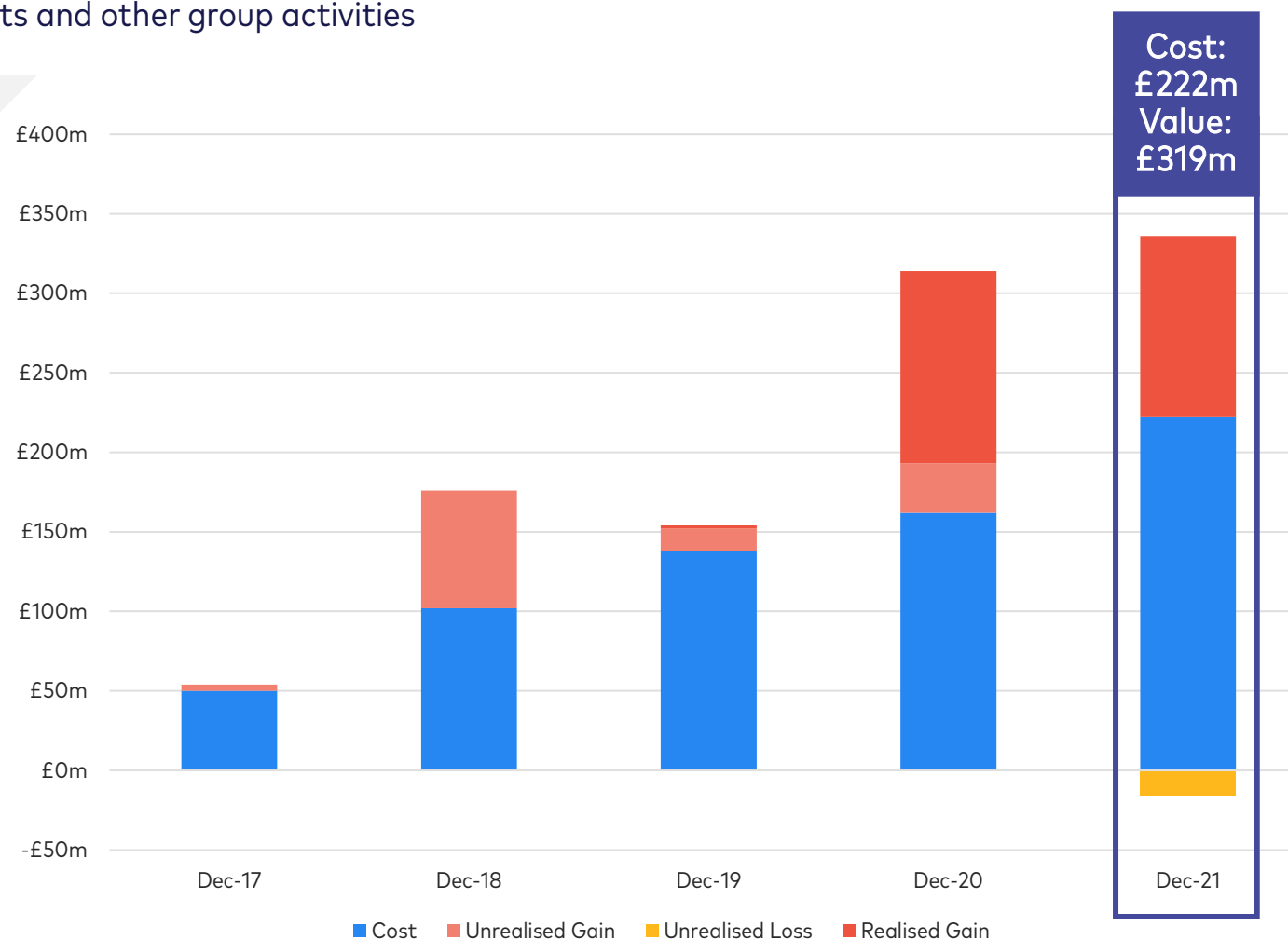
» Capital deployed since inception: **£200m+**

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

» Average IPO step up: **x 1.6**

» 2 companies acquired by pharmaceutical companies:

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



NAV PROGRESSION

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

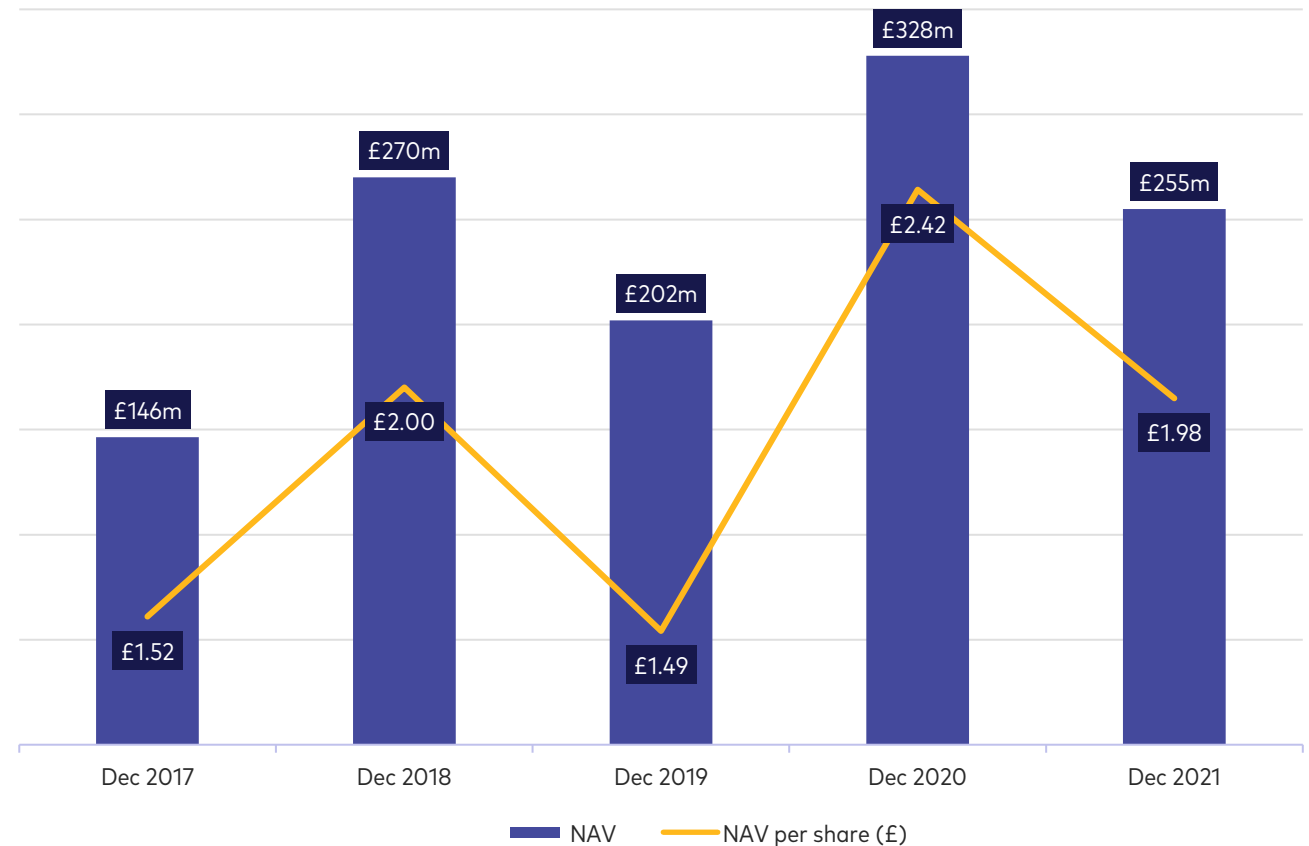
» £134m cash at 31 Dec 2021

» £118.2m GPV at 31 Dec 2021

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

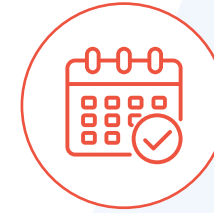
» £201m realised proceeds since inception

Robust and Prudent approach to valuation



SUMMARY AND TARGETS

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



Rolling Targets

- » ≥ 2 Exits
- » ≥ 2 Additional IPOs
- » Double digit % IRR



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Q&A



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APPENDIX

DIVERSIFIED CLINICAL PIPELINE

Company	Programme	Indication	Discovery	Preclinical	Phase 1	Phase 2	Phase 3
aura	AU-011	Choroidal Melanoma (IVT)					
aura	AU-011	Choroidal Melanoma (SC)					
HARPOON Therapeutics	HPN424	Prostate Cancer					
HARPOON Therapeutics	HPN536	Ovarian and Pancreatic Cancer					
HARPOON Therapeutics	HPN217	Multiple Myeloma					
HARPOON Therapeutics	HPN328	Small Cell Lung Cancer					
artios	ART0380	Advanced or Metastatic Solid Tumours					
artios	ART4215	Advanced or Metastatic Solid Tumours					
LogicBio	LB-001	Methylmalonic Acidemia					
disc)medicine	DISC-0974	Healthy Volunteer Study					








+ 20 additional development & pre-clinical programmes



STipe
Therapeutics



CLINICAL AND OPERATIONAL PROGRESS MADE THROUGH 2021 AND TO DATE

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

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

FINANCIAL REVIEW

NAV of £228m (177p); capital pool of £131m*

Portfolio Company	Ownership** %	31 May 2022 Value £m	Committed, not yet invested £m	% of Gross Portfolio
Core Portfolio				
<u>Listed on NASDAQ</u>				
Aura	5.5%	20.8	-	22.1%
Harpoon	6.7%	3.6	-	3.8%
LogicBio	2.2%	0.3	-	0.3%
Imara	8.9%	2.2	-	2.4%
<u>Unlisted</u>				
Artios	8.8%	25.0	-	26.4%
Disc Medicine	4.2%	8.7	-	9.2%
Depixus	21.4%	7.9	-	8.4%
Sorriso	26.0%	6.3	3.7	6.7%
TwelveBio	49.0%	3.8	-	4.1%
STipe	17.8%	4.9	1.9	5.1%
Amplix***	-	1.3	-	1.3%
Other Public Market Investments				
Public Opportunities Portfolio	-	9.6	-	10.2%
Gross Portfolio	-	94.4	-	100%
Other Interests	-	2.7	-	-
Total Investments		97.1	5.6	

* Unaudited figures as of 31 May 2022

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

*** Discounted value of future milestones, payable post 2021 exit

GLOSSARY OF ABBREVIATIONS

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





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THANK YOU

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