Preliminary Results for the Period Ending
31st July 2018

October 2nd, 2018
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Operational Highlights for the Year Ended 31st July 2018

Affimer Therapeutics

• Continued good progress with in-house therapeutic programmes with the objectives of first-in-man clinical data in 2020 and building a pipeline of valuable therapeutic assets:
  • Good progress with PD-L1/LAG-3 bispecific programme: next key milestone - selection of a candidate for IND enabling studies early in 2019
  • Pipeline Update: Affimer binders to key I-O targets generated and potentially transformative joint invention with Tufts University Medical School
  • Very positive PK data for Affimer XT™ half-life extension platform.
• Partnered programmes making progress and next significant milestones occurring in 2019.
• Experienced, Boston-based Vice President Therapeutics Business Development appointed Oct 2018.
• In discussion with multiple pharma and biotech firms regarding Affimer therapeutics opportunities and anticipating at least one significant pre-clinical partnership.

Affimer Research and Diagnostics Reagents

• Business development team established in US with personnel on both the east (Philadelphia) and west coasts (San Diego).
• Continued build out of technology evaluations pipeline should lead to commercial deals in 2018 and onwards.
• Substantial progress in generating more applications data packs.

Board Appointment

• Eliot Forster appointed as Chairman July 2018.
Financial Highlights for the Year Ended 31st July 2018

Financial Highlights

• Fundraise announced July 2018 raising £11.6m gross, funds received post year end
• Cash balances at 31 July 2018 £5.2m (31 July 2017: £13.2m)
• Group revenues £2.76m (2017: £2.74m)
• Loss from continuing operations £8.83m (2017: £6.37m) reflecting accelerating R&D investment
• Loss per ordinary share 13.49 pence (2017: 9.77 pence)
## Preliminary Results for the Period Ending 31st July 2018: Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2018 (£m)</th>
<th>2017 (£m)</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2.76</td>
<td>2.74</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1.87</td>
<td>1.79</td>
</tr>
<tr>
<td>Gross margin</td>
<td>68%</td>
<td>65%</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>(3.78)</td>
<td>(2.60)</td>
</tr>
<tr>
<td>Admin costs</td>
<td>(8.52)</td>
<td>(7.18)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(10.43)</td>
<td>(7.98)</td>
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<tr>
<td>Financial income</td>
<td>0.04</td>
<td>0.09</td>
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<tr>
<td>Taxation</td>
<td>1.56</td>
<td>1.52</td>
</tr>
<tr>
<td>Retained loss</td>
<td>(8.83)</td>
<td>(6.37)</td>
</tr>
<tr>
<td>Loss per share</td>
<td>13.49p</td>
<td>9.77p</td>
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### Preliminary Results for the Period Ending 31st July 2018: Segmental Analysis

<table>
<thead>
<tr>
<th></th>
<th>Life Sciences (£m)</th>
<th>Animal Health (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1.19</td>
<td>1.15</td>
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<tr>
<td>Gross profit</td>
<td>0.83</td>
<td>0.73</td>
</tr>
<tr>
<td>Gross margin</td>
<td>69%</td>
<td>63%</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>(3.32)</td>
<td>(2.27)</td>
</tr>
<tr>
<td>Admin costs</td>
<td>(4.65)</td>
<td>(3.98)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(7.14)</td>
<td>(5.52)</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td></td>
<td></td>
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<tr>
<td>Development costs capitalised</td>
<td>1.58</td>
<td>1.19</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>0.55</td>
<td>0.54</td>
</tr>
</tbody>
</table>
## Preliminary Results for the Period Ending 31st July 2018: Cash Flow and Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2018 (£m)</th>
<th>2017 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>(7.11)</td>
<td>(6.00)</td>
</tr>
<tr>
<td>Working capital</td>
<td>0.34</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Tax and interest</td>
<td>1.30</td>
<td>1.83</td>
</tr>
<tr>
<td>Investment</td>
<td>(2.52)</td>
<td>(2.13)</td>
</tr>
<tr>
<td>Financing</td>
<td>0.04</td>
<td>0.01</td>
</tr>
<tr>
<td>Net cash (outflow)/inflow</td>
<td>(7.95)</td>
<td>(6.36)</td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>5.22</td>
<td>13.17</td>
</tr>
<tr>
<td>PPE</td>
<td>3.05</td>
<td>3.45</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>12.20</td>
<td>12.30</td>
</tr>
<tr>
<td>Other net assets/(liabilities)</td>
<td>0.94</td>
<td>0.97</td>
</tr>
<tr>
<td>Net assets</td>
<td>21.41</td>
<td>29.89</td>
</tr>
</tbody>
</table>
Objectives Set Out at the Recent Placing

1) Generate **first-in-man clinical data in 2020.**

2) Build a **pipeline of therapeutic Affimers** and enabling Affimer platform technologies **for licensing or future in-house development.**

3) Secure further Affimer therapeutic **license/partnering deals.**

4) Grow a **custom Affimer revenue stream** with the potential for long term royalties.
Despite great progress and excitement surrounding immune-checkpoint targeting therapies, the fact remains that overall response rates across the patient population are low.

What approaches can be used to improve the response rate?

1. Hitting multiple immune-checkpoints at once through combination therapies, bispecific and trispecific molecules.
2. Combining immune-checkpoint therapies with chemotherapy, viral vaccines, radiotherapy, and others.
3. Targeting chemotherapy using drug conjugates.
4. Harnessing the power of agonists.

Avacta is focusing on developing multi-specific immune check point inhibitors and drug conjugates based on its proprietary Affimer platform.
PD-L1/LAG-3 Bispecific Programme

Clinical/Biological Rationale
- T cells that are continuously exposed to tumour antigen become progressively inactivated through a process termed “exhaustion”.
- Antibodies that bind to LAG-3 and inhibit its interaction with MHC II are capable of re-invigorating exhausted T cells.

Clinical Landscape
- Monoclonal anti-LAG-3 blocking antibodies, as single agents or in conjunction with anti-PD-1 antibodies, are currently being explored for the treatment of various solid cancers.
- BMS, Boehringer, Regeneron, Tesaro and Novartis are testing the combination of anti-PD-1 antibodies with anti-LAG-3 antibodies in the clinic. BMS has already reported promising anti-tumour data from its multiple myeloma study.
- Merck/Fstar and Tesaro are at pre-clinical stage with single molecule PD-L1 / LAG-3 bispecifics.

Avacta’s bispecific combines both PD-L1 inhibitory and LAG-3 inhibitory activities into a single molecule.

Positioned to shift the current systemic dual inhibitory approach to a single drug agent that can produce antitumor immune response in a more localized manner.

Despite the rapid growth in PD-1 inhibitor markets, T cell exhaustion is understood to be one of the leading reasons for low response rates to PD-1 and PD-L1 inhibitors in some of the deadliest forms of cancer.
PD-L1 | LAG-3 Bispecific Path to the Clinic

- 1Q IMPD/CTA submission (MHRA)
- 2Q First-patient dosed (NSCLC)
- 4Q Regulatory toxicology initiated
- 4Q GMP manufacturing initiated
- 2Q GMP manufacturing tech transfer
- 3Q Clinical CRO and phase 1 investigators selected
- 2Q MHRA scientific advice
- 1Q 2019 candidate selection
- 1Q-4Q 2018 in-vivo pharmacology for PD-L1 and LAG3 leads
- Appointment of Chief Medical Officer
Conventional drug conjugates use a targeting mechanism such as an antibody or Affimer to deliver a drug, called a “cytotoxin”, (chemotherapy) specifically to the tumour cell.

Once bound to the outside of the tumour cell the drug conjugate, including the cytotoxin, is taken into or “internalised” into the cell.

The cytotoxin is then released from the antibody or Affimer by enzymes that cut the chemical linker and the toxin kills the tumour cell from inside.

The antibody or Affimer is only used to target the tumour cell and has little or no additional therapeutic benefit.
• The TMAC™ drug conjugate concept is a **joint invention** between Avacta and Tufts University School of Medicine.

• The TMAC concept combines an **immuno-oncology active targeting Affimer** with a **drug payload** that is **released in the tumour microenvironment** with the effect of **turning a “cold” tumour “hot”**. The resulting recruitment of the immune system to the tumour is assisted by the immuno-oncology active Affimer.

• Avacta has agreed a **co-development partnership with Bach BioSciences**, a company commercialising the research of William Bachovchin, Professor of Developmental, Chemical and Molecular Biology at **Tufts University School of Medicine, Boston**.

• **Avacta has sole commercial rights** to the TMAC platform and has **jointly filed a patent application** covering the concept with Tufts.
First Example of Affimer TMAC Therapy

• **Targeting: PD-L1**
  - Expressed on the surface of tumour cells causing accumulation of the conjugate while at the same time overcoming resistance to the immune response.

• **Linker: Cleaved by FAPα**
  - Specifically cleaved by fibrobroblast activation protein, an enzyme which is overproduced by many tumour types including pancreatic, bladder and ovarian.

• **Drug warhead: i-DASH inhibitor (PT-100/AVA-100)**
  - Activating innate immunity and inducing a local inflammatory response turning ‘cold’ tumours into ‘hot” tumours and synergising with I/O checkpoint inhibitors such as PDL-1.

• **First key milestones**
  - *In vitro* and *in vivo* data for PD-L1/PT100 by the end of 2019
The TMAC™ Platform IP
Potential to exploit a range of ICP targeting, linkers and warheads

Range of targeting:
• Other immune-checkpoints and costimulatory receptors
• Bispecific targeting (e.g. PD-L1/LAG-3)
• Affimers, antibodies, fragment technologies, etc

Range of linkers cleaved by tumour specific enzymes such as:
• MMP2, MMP9, MMP14
• Matriptase
• Legumain

Range of toxins that could synergise with the immune-checkpoint targeting:
• STING agonist
• TLR7/8 agonist
• Doxorubicin
• Proteasome inhibitors
• AKT inhibitors
• CDK inhibitors

**Gene Delivery**
- Provided Affimers for their priority target in H1 2018 and extended the research partnership.
- Next step – Moderna evaluating Affimer lead molecules with a view to pre-clinical/clinical development.
- Affimers generated revert to Avacta if they are not taken forwards by Moderna.

**Drug Conjugates**
- Positive outcome of initial trial with Glythera Ltd. leading to a new drug development partnership for Affimer drug conjugates.
- Avacta now generating Affimers to bind the target of choice for Glythera.
- Anticipate providing Affimer molecules 4Q18/1Q19.

**Gene Delivery**
- Very encouraging data generated in the collaboration with FIT Biotech.
- Affimers generated at clinical relevant levels in the blood stream of mice for over a month following a single injection of the Affimer gene.
- Affimers outperformed benchmark antibody in the study.
- Further in vivo studies planned for 2018 to support deal making with larger partners.

**Gene Delivery**
- Collaboration established with OncoSec (NASDAQ: ONCS) on innovative gene delivery of therapeutic Affimers.
- Third partnership to explore gene delivery with Affimers reflects significant interest received for this application.
- Oncosec considering other targets as well as PD-L1.

**CAR-T**
- Continuing collaboration with Memorial Sloan Kettering Cancer Center CAR-T on proof-of-concept study.
- Generating Affimers to CD19 has proven difficult because of the target protein stability.
- Binders to an alternative CD22 have now been generated.
FIT Biotech Collaboration: Gene Delivery

Very encouraging gene delivery data for the Affimer technology

- Tested the **production by the leg muscle** of mice of two Affimers (formatted on mouse Fc) and a benchmark antibody **following single electroporation** of each proteins’ gene.
- Molecules **do not bind any target in mouse** and were **well tolerated**.
- Systemic therapeutic levels of **Affimer expression achieved over 3 months**, 3-15 times higher than the antibody

**Levels of Affimer/Antibody in the Mouse Blood Stream**

<table>
<thead>
<tr>
<th></th>
<th>Affimer 1</th>
<th>Affimer 2</th>
<th>Antibody</th>
</tr>
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<tbody>
<tr>
<td>mg/kg</td>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
<td><img src="image3.png" alt="Graph" /></td>
</tr>
<tr>
<td>Time (Days)</td>
<td>0 4 10 20 31 61</td>
<td>0 4 10 20 31 61</td>
<td>0 1 14 21 28 88</td>
</tr>
</tbody>
</table>

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# Therapeutic Affimer Pipeline Update

## Checkpoint Antagonists

<table>
<thead>
<tr>
<th>Programme</th>
<th>Target</th>
<th>Discovery</th>
<th>Lead Optimisation</th>
<th>Pre-clinical</th>
<th>Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVA-004</td>
<td>PD-L1 Antagonist</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AVA-017</td>
<td>LAG-3 Antagonist</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning: TIM-3, TIGIT, PD-1 and CTLA-4 Antagonists</td>
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</tbody>
</table>

- IND filing 2019
- First programme to clinic 2020

## Costimulatory Agonists

<table>
<thead>
<tr>
<th>Programme</th>
<th>Target</th>
<th>Discovery</th>
<th>Lead Optimisation</th>
<th>Pre-clinical</th>
<th>Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVA-014</td>
<td>CD27</td>
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<tr>
<td>AVA-018</td>
<td>GITR</td>
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<tr>
<td>AVA-023</td>
<td>CD40</td>
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## Affimer Drug Conjugates

<table>
<thead>
<tr>
<th>Programme</th>
<th>Target</th>
<th>Discovery</th>
<th>Lead Optimisation</th>
<th>Pre-clinical</th>
<th>Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVA-004-100</td>
<td>PD-L1/AVA-100 warhead</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>AVA-018</td>
<td>5T4/CDK Inhibitor</td>
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</table>

## Bispecific Affimer/Monoclonal Antibody (Af-mAb)

<table>
<thead>
<tr>
<th>Programme</th>
<th>Target</th>
<th>Discovery</th>
<th>Lead Optimisation</th>
<th>Pre-clinical</th>
<th>Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ipilimumab Af-mAb</td>
<td>CTLA4 x PD-L1 Antagonists</td>
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<tr>
<td>Bevacizumab Af-mAb</td>
<td>VEGFR x PD-L1 Antagonists</td>
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</table>

## T-cell Engagers

<table>
<thead>
<tr>
<th>Programme</th>
<th>Target</th>
<th>Discovery</th>
<th>Lead Optimisation</th>
<th>Pre-clinical</th>
<th>Phase 1</th>
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<tr>
<td>AVA-008</td>
<td>CD19</td>
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</tr>
<tr>
<td>AVA-002</td>
<td>CD3e</td>
<td></td>
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</tr>
<tr>
<td>AVA-012</td>
<td>CD22</td>
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- Building out the pipeline for future licensing and clinical development opportunities
• Build a profitable reagents business as quickly as possible by supplying or licensing Affimers into high value applications in diagnostics and research.

• Focus remains on applications and/or targets where Affimers present a significant advantage over established antibody-based techniques.

• Balance short-term revenue potential - fee for service, and longer-term higher value revenue stream – milestones and royalties.
Key Emerging Market
Anti-idiotypic binders for pharmacokinetic assays

• Anti-id Affimers successfully developed against 10 different mAbs with a 100% success rate.

• Side by side comparison with competitive products from the market leader (Biorad) demonstrates clear benefits of Affimers.

• Size of the market opportunity
  • Approximately 2,000 new monoclonal antibodies enter development per annum. Assuming 25% of these programmes require an anti-ID binder, the accessible market is 500 projects per year.
  • 10% market share would represent 50 projects a year for a total value of £1.5-1.75m per annum.
  • Aiming to win at least 10 projects in FY19.

Anti-ID and PK assays

Key benefits
• Specificity
• Low matrix effect
• Short development time
• Batch to batch consistency
• Animal-free

Business model
• Short-term fee for service in pharma and biotech
• Small number of anti-id Affimers developed in house for licensing
• Long-term potential for use in drug-monitoring assays
Anticipated Near-term Newsflow

- Therapeutics partnering/license deal(s).
- Licensing/supply deals with research/diagnostics companies.
- Additional therapeutics research collaborations.
- High profile Chief Medical Officer appointment.
- Potential for Moderna to take Affimer candidate(s) into clinical development.
- Pre-clinical development milestones for collaborative programmes.
- Candidate selection for anti-PD-L1/LAG-3 bispecific Affimer clinical development.
- Completion of IND enabling studies for anti-PD-L1/LAG-3 bispecific.
Summary

- Avacta is a pre-clinical biotech with proprietary Affimer® platform technology offering significant technical and commercial benefits over antibodies.

- A pipeline of technology evaluations has been built over the past two years which should deliver significant commercial deals in the near future and onwards.

- The therapeutic opportunity has been significantly de-risked, a pipeline of drug assets is being built and the lead programme should reach the clinic in 2020.

- The recent joint invention with Tufts University Medical School of the TMAC Affimer drug conjugate platform has attracted strong interest from large pharma.

- Avacta’s ambition is to be a clinical stage biotech with a focus on immuno-oncology and to build a recurring reagents revenue stream.

- As a proven platform technology able to address multiple markets the downside risk is low, with significant upside potential as the Group builds a pipeline of valuable drug assets.
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