The Affimer Platform

*Enormous potential, significant milestones achieved and momentum building strongly*
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Key Messages
Enormous potential, significant milestones achieved and momentum building strongly

- Avacta is a **pre-clinical biotech** with proprietary **Affimer® platform technology** offering significant **technical and commercial benefits over antibodies**.
- The Affimer platform addresses **markets worth in excess of $100bn** where alternatives to antibodies are gaining significant traction.
- Affimer reagents are being **adopted by major biotech, pharma and diagnostics companies**, the pipeline of evaluations has grown strongly in quality and size.
- The **therapeutic opportunity** has been **significantly de-risked**, a pipeline of drug assets is being built and the lead programme is on track to **reach the clinic in 2020**.
- 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.
• **Antibodies** can be used as drugs and for diagnostics because they can **capture or block specific targets**.

• **Antibodies** have captured markets worth in excess of $100bn despite having **significant limitations**.

• **Antibodies** are large, complex, difficult to manufacture, can be unstable and difficult to modify to suit certain applications.
What is an Affimer?

- Based on a **naturally occurring protein** and engineered to **behave like an antibody**.
- Its **binding surface** is created by loops which can be altered to **capture different targets**.

![Binding Surface](image.png)

### Key Benefits

**Commercial**
- **Unencumbered IP**.
- **Freedom to operate** where there is antibody IPR.
- **Security of supply**.
- **Cheaper to produce**.

**Technical**
- **Smaller, simpler, more robust** than antibodies.
- **High affinity** Affimers generated for new targets in a matter of weeks, **much quicker** than antibodies.
- **Very specific** to the target of interest – no cross reactivity.
- **Easily modified** and **easily manufactured**.
- **Non-immunogenic**.
Large Life Sciences Markets Dominated by Antibodies Despite Their Limitations

Reagents
- Lab test kits, purification systems, biosensors etc.
- Minimal barriers to entry.
- Antibodies have quality and performance issues.

Therapeutics
- Lab diagnostics and rapid testing.
- Higher value and regulatory approval required.
- Antibodies have issues with specificity, robustness and supply.

$2bn

$11bn

$75bn+

- Very high valuations of therapeutic assets.
- Key benefits of a small, adaptable platform.
Progress Against 2015 Objectives
Excellent Progress Against 2015 Objectives

<table>
<thead>
<tr>
<th>Reagents</th>
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<tbody>
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<td>Diagnostics</td>
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</table>

1) Develop the **first Affimer therapeutic candidate** for clinical development. ✓

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. ✓
1) Develop the First Affimer Candidate to the Clinic

On target to be in the clinic with a PD-L1 antagonist in 2020

Why?
- Clinical data (safety and tolerability):
  - de-risks the platform for partners,
  - increases the value and scope of deals,
  - is a major value inflection point for Avacta.
- PD-L1 selected to minimise risk and as the backbone for future combinations e.g. PD-L1/LAG3

Progress
- >50 PD-L1 antagonists generated and characterised
- Efficacy in CT26 model, PK and immunogenicity data
- Extensive formatting and production data

Next Steps
- Pathway into the clinic:
  - In-vivo work and detailed biology packages
  - Candidate selection and CMC/regulatory packages
  - IND filing 2019/2020
- Maximise value from PD-L1 assets (combinations and bispecifics, novel drug conjugate, licensing for gene delivery)
2) Secure Further Affimer Partnering Deals

Research partnerships established, multiple larger opportunities in the pipeline

<table>
<thead>
<tr>
<th>What?</th>
<th>Progress - Data</th>
<th>Progress - Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Securing partnering deals requires <strong>data</strong>:</td>
<td>✓ Multimeric formats</td>
<td>✓ High expression yields</td>
</tr>
<tr>
<td>• <strong>De-risking</strong> the platform for <strong>partners</strong></td>
<td>✓ Fc formats</td>
<td>✓ Rapid development</td>
</tr>
<tr>
<td>• <strong>Proof</strong> of the <strong>benefits</strong> of Affimers</td>
<td>✓ Efficacy</td>
<td>✓ Pharmacokinetics</td>
</tr>
<tr>
<td>• <strong>High value</strong> licensing deals are <strong>more likely</strong></td>
<td>✓ Low immunogenicity</td>
<td>✓ Range of antagonists, agonists and targeting</td>
</tr>
<tr>
<td>with:</td>
<td>✓ Serum stability</td>
<td>Affimers</td>
</tr>
<tr>
<td>• Assets with pre-clinical <strong>in-vivo data</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2018/19)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Clinical data</strong></td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>Next Steps</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Strong and very <strong>active BD</strong> presence in <strong>US</strong></td>
<td>• More efficacy (<strong>in-vivo</strong>) data from PD-L1</td>
</tr>
<tr>
<td>including experienced VP Bus Dev appointed in US (Matt Vincent).</td>
<td>and other programmes</td>
</tr>
<tr>
<td>• Affimer evaluations and <strong>reagents projects</strong>.</td>
<td>• Manufacturing and tox data</td>
</tr>
<tr>
<td>• Actively seeking <strong>Asian</strong> partners (S. Korea, Singapore, China).</td>
<td>• <strong>Clinical data</strong></td>
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Example Deals in Immuno-oncology

Over $10bn license/M&A deals done 2015-16 and many of these were for pre-clinical assets

(Apr 2016) $685m with $40m upfront in deal for ARG-115X asset

(Jan 2017) $31m upfront and up to $338m in success-based payments for checkpoint inhibitor plus 4 other programs

(May 2017) up to $115m upfront and success-based payments for PD-L1/LAG3 bispecific

(Aug 2017) Gilead acquires Kite for $11.9bn

(Jan 2016) $170m in upfront and near term milestone for access to next gen platform

(Jan 2018) Celgene acquires Juno for $9bn
3) Build a Therapeutic Affimer Pipeline

More than ten programmes underway generating Affimer lead molecules

Why?
- Building value through creation of drug candidates for:
  - pre-clinical licensing,
  - development and future licensing.
- Generating Affimer platform data to support wider business development.

What?
- In-house immuno-oncology focus
  - Immune-checkpoint inhibitors,
  - Immune system priming and activation (agonists),
  - T-cell recruitment.
- Other oncology opportunities being explored with partners to support business development.

Progress
- 10 in-house programmes initiated including:
  - PD-L1, LAG3 – lead molecules in development.
  - GITR, CD27 – agonists.
  - 5T4, CD19, CD3ε, CD22 - tumor targeting
  - Affimer XT™: human serum albumin binders (half-life extension)
  - Others: Fibrinogen, alpha-2-antiplasmin.

Next Steps
- PD-L1, LAG3, Affimer XT development to the clinic.
- Characterisation of lead molecules in other programmes until additional resources available.
4) Custom Affimer Business: Progress

Strong growth in custom Affimer services pipeline number and quality of customers

First product development license granted to a top three global diagnostics company 2017.
4) Custom Affimer Business: Valuation

Valuation of the Affimer reagents business underpins current market capitalisation

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<tr>
<td><strong>Typical Licensing Terms and Potential Value</strong>¹</td>
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<td><strong>Deal Size</strong></td>
<td><strong>Market</strong></td>
<td><strong>Prod. Dev.</strong></td>
</tr>
<tr>
<td>Small</td>
<td>Research Kits</td>
<td>1 yr</td>
</tr>
<tr>
<td>Small</td>
<td>Imaging</td>
<td>1 yr</td>
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• First diagnostics development license was agreed in May 2017 with one of the top three global diagnostics companies.

- Pipeline of 25+ evaluations ongoing (not all evaluations will lead to license deals).
- Active business development in the three market focus areas to grow this pipeline.
- Sustainable cost base low single digit £m.
- Steady growth in services revenue covers a substantial proportion of the cost base.
- Expecting a high margin royalty based revenue stream from licensing to grow from 2020.
Progress Summary 2015-17

1) Develop the **first Affimer therapeutic** candidate for clinical development.
   • Significant **de-risking** of platform.
   • **Multiple PD-L1 assets** in development.
   • On target for **first-in-man in 2020**.

2) Build a **pipeline of therapeutic Affimers** and enabling Affimer platform technologies for licensing or future in-house development.
   • **10** discovery programmes initiated.
   • **Multiple leads** generated to a range of I-O, oncology and other targets.
   • Substantial platform **data** generated supporting BD.
   • **Multiple** research **partnerships** established with potential for **monetisation**.
   • **In-vivo data** (2018 onwards) important for larger deals.
   • **Many third parties** now using Affimers.

3) Secure further Affimer therapeutic license/partnering deals.
   • Good growth in **order pipeline** and number of evaluations.
   • Very good improvement in “**quality**” of pipeline.
   • First development deal signed 2017 with a **global diagnostics player**.

4) Grow a **custom Affimer revenue stream** with the potential for long term royalties.
High Level Objectives 2018-21
Clinical stage biotech and a profitable reagents business

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**Recurring Revenue from Reagents**

- **Recurring revenue** stream established from supply arrangements, custom Affimer services and product sales.
- Established potential for **significant long term royalty** based revenues attracting higher valuation of this revenue stream.
- Expansion of **IP portfolio** to encompass specific assets and applications.

**Clinical Stage Biotech Company**

- Multiple in-house pre-clinical and **clinical** assets.
- **Pre-clinical/clinical data** with existing partners.
- Additional programmes with **significant pharma partners** established.
- Expansion of **IP portfolio** to encompass specific assets and applications.
Comparators

**Molecular Partners**
SWX: MOLN
$607m
DARPins
Several assets in phase 1/2/3
Abicipar in phase 3

**Pieris**
NASDAQ: PIRS
$346m
Anticalins
3 assets in phase 1/1b/2a

**Ablynx**
EBR: ABLX
NASDAQ: ABLX
$3bn
Camelid “Nanobody”
Multiple assets in phase 1/2/3 and first product about to receive marketing approval (Caplacizumab)

**Avacta**
AIM: AVCT
$40m
Multiple preclinical assets

Acquired by Sanofi
January 2018 for $4.8bn
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