Interim Results for the Period Ending 31st January 2019

April 9th, 2019

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Affimer®

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Operational Highlights for the Period Ended 31st January 2019

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Affimer Therapeutics

- Major development partnership and license agreement with LG Chem Life Sciences (LG Chem) potentially worth over $300m plus future royalties on product sales. The agreement included an upfront payment of $2.5m, near-term milestone payments of up to a further $5.5m plus payment of Avacta's research costs.
- Continuing to build the in-vivo pharmacology data packages for our lead immune checkpoint programmes.
- Research collaboration and licensing agreement, to access novel drug conjugate technology developed at Tufts University Medical School, established to underpin pipeline of innovative "TMAC" Affimer drug conjugates and combination therapies.

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Operational Highlights for the Period Ended 31st January 2019

Affimer®

Affimer Research and Diagnostics Reagents

- Custom Affimer sales pipeline largest value to date including multiple global *in vitro* diagnostic companies, pharma and biotech companies and bioprocessing companies
- Agreed commercial license with New England Biolabs® (NEB®), a global leader in the discovery and production of enzymes for molecular biology applications. This agreement is to commercialise a product using the Affimer technology for use in both life science research and diagnostics assays.
- Strong focus on generating further license deals during 2019 arising from multiple ongoing technology evaluations.
- Good progress in building a proprietary pipeline of Affimer reagents against specific diagnostic targets with the aim of generating two diagnostic assets with the supporting data packages during 2019 for future licensing.

Financial Highlights for the Period Ended 31st January 2019

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Financial highlights

- First up-front milestone payment of $2.5m received from LG Chem.
- Fund raising completed August 2018, with £11.6m gross received.
- Cash balances £11.8m (£5.2m 31 July 2018).
- Half year revenues of £1.0m (£1.5m FY18) reduced due to absence of services revenue for FTEs working on the Moderna collaboration now that assets have been transferred into their development pipeline. LG Chem funded research services commenced February 2019 and will contribute to second half-year figures.
- Operating loss £5.9m (£4.5m FY18), with research and development costs increasing to £2.4m (£1.5m FY18).
- Increased R&D costs leading to reported loss of £5.2m (£3.9m FY18).

Senior Management

- Dr Jose Saro appointed in December 2018 as Chief Medical Officer to lead the pre-clinical and clinical development of the Affimer® therapeutic platform. Dr Saro joined Avacta from Roche where he held the role of Senior Translational Medicine Leader at the Roche Innovation Center Zurich.

Interim Results for the Period Ending 31st January 2019: Income Statement

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	Unaudited 6 months 31 Jan 2019 (£m)	Unaudited 6 months 31 Jan 2018 (£m)	Audited Year ended 31 July 2018 (£m)
Revenue	**0.97**	**1.47**	**2.76**
Life Sciences	0.29	0.69	1.19
Animal Health	0.68	0.77	1.57
Gross profit	0.66	1.01	1.87
Gross margin	68%	69%	68%
R&D costs	**(2.41)**	**(1.48)**	**(3.78)**
Administrative costs	**(4.12)**	**(4.00)**	**(8.52)**
Operating loss	**(5.87)**	**(4.47)**	**(10.43)**
Taxation	0.65	0.50	1.56
Retained loss	(5.20)	(3.95)	(8.83)
Loss per share	4.80p	6.04p	13.49p

Interim Results for the Period Ending 31st January 2019: Cash Flow and Balance Sheet

Affimer®

	Unaudited 6 months 31 Jan 2019 (£m)	Unaudited 6 months 31 Jan 2018 (£m)	Audited Year ended 31 July 2018 (£m)
Operating activities	(2.90)	(3.59)	(5.47)
Capex – PPE & Development	(1.42)	(1.34)	(2.52)
Financing	10.89	0.04	0.04
Net cash flow	**6.57**	**(4.89)**	**(7.95)**
Cash & Deposits	**11.79**	**8.28**	**5.22**
PPE	2.91	3.39	3.05
Intangible assets	12.71	12.78	12.20
Other net assets/(liabilities)	(0.08)	1.73	0.94
Net assets	**27.33**	**26.18**	**21.41**

Business Update

Partnership with LG Chem Life Sciences

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From the LG Chem presentation at the JP Morgan Healthcare conference January 2019

LG Chem Life Sciences, Partner of Choice

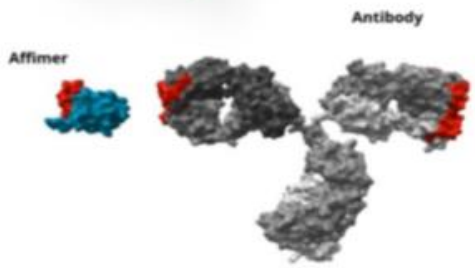
Strategic Partnership with Avacta Life Sciences[1)]

LG Chem Life Sciences Company

Avacta LIFE SCIENCES

Affimer® Technology

Based on **naturally occurring human** Stefin A protein



A proprietary protein scaffold with key technical benefits

- Small Size (14kDa)
- Engineered for Unique Binding Surfaces
- Flexible Formatting
- Ease of Manufacturing by Cell

LG Chem Life Sciences Company

- ✓ Global Development & Commercialization
- ✓ Development to Extend Half-life

Short-term Outlook

4	New Affimer® Development
2021	1st Target Phase 1 IND Planned

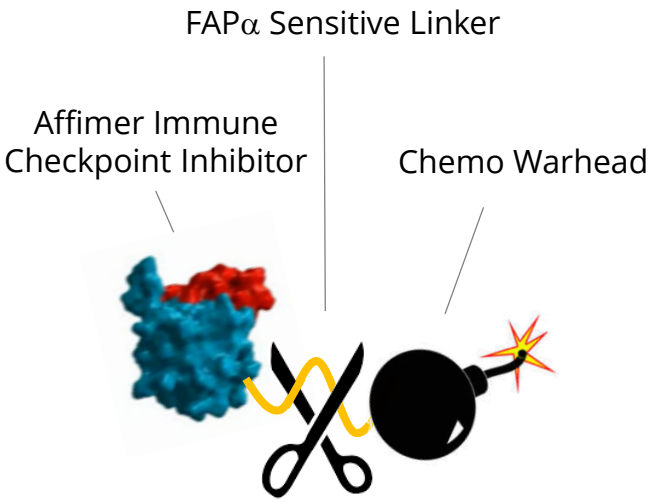
Collaboration and License Deal to Access IP from Tufts University

Affimer®

- The TMAC™ drug conjugate concept is a joint invention between Avacta and Tufts University School of Medicine.
- 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 and Tufts have jointly filed a patent application to protect the concept of a tumour microenvironment activated drug conjugate immunotherapy (TMAC™).
- The license agreement provides Avacta with exclusive access to the FAP enzyme activated linker chemistry and certain chemo-toxin warheads developed by Professor Bachovchin.
- Avacta has sole commercial rights to the TMAC platform and the agreement provides for a royalty payment to Bach/Tufts.

Tufts UNIVERSITY | School of Medicine

Patent Application July 2018: *Tumor Microenvironment – Activated Drug-Binder Conjugates, and Uses Related Thereto.* US Patent Application Serial Number 62/680,300



TMAC Structure

Moderna Exercises its Option to Develop and Commercialise Certain Affimers

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- Multi-target deal (May 2015) to co-develop Affimer therapeutics for undisclosed indications.
- Upfront, near-term and clinical development milestones worth up to “tens of millions of dollars”.
- Royalties on future sales plus full funding of Avacta’s associated R&D costs.
- Avacta has generated a number of Affimer lead molecules against multiple targets nominated by Moderna.
- Moderna has exercised its option to take one or more of the lead molecules into clinical development (February 2019).

moderna

Extending the Benefit of Immunotherapies

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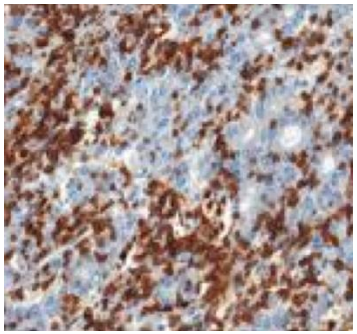
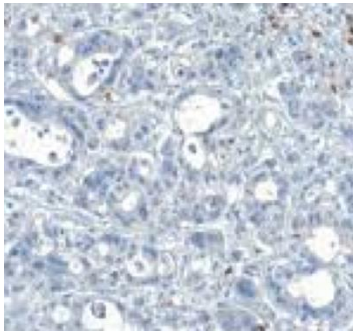
Avacta's mission is to extend the benefit of cancer immunotherapies with innovative and differentiated Affimer therapeutics combining modulation of multiple checkpoints with pro-inflammatory drugs

"Inflamed tumours" respond well to checkpoint inhibitors



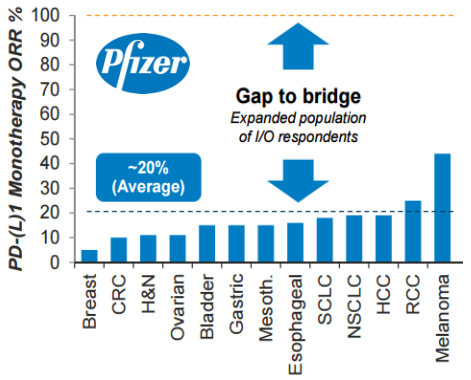
20-30% patients

"Non-inflamed" tumours do not



70-80% patients

PD-1 Monotherapy Response Rates



Only ~20% of patients respond to current immuno-modulatory monotherapies *

* Levitsky, SITC 2014

Avacta's Immuno-oncology Strategy

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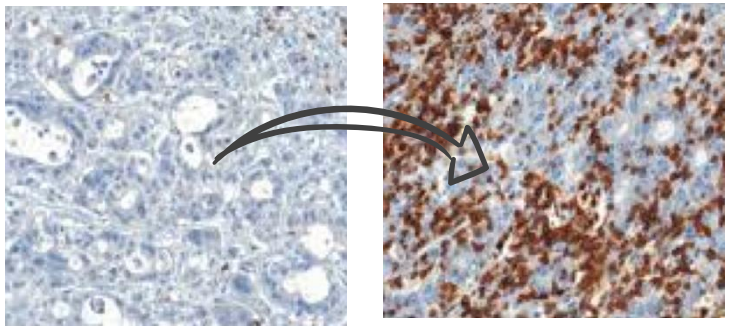
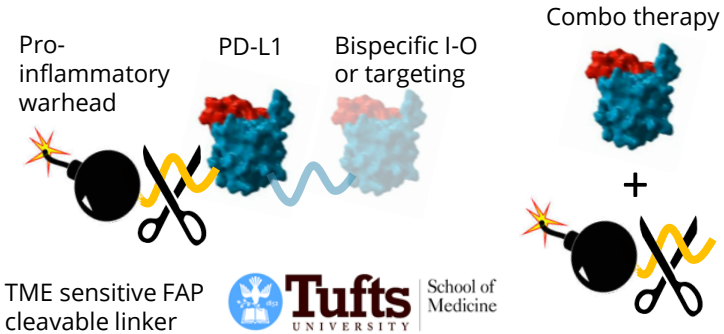
Novel tumour microenvironment active drug conjugates (TMAC™) and combination therapies built around PD-L1 multi-specifics

Non-inflamed Tumours Strategy: Combinations with Pro-inflammatory Drugs

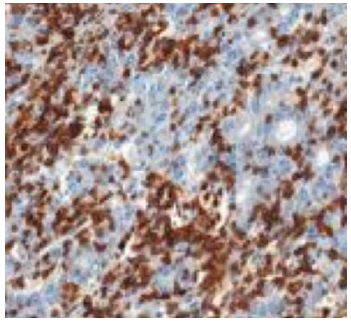


70% patients

Key Benefits: Formatting flexibility, small size, proprietary TMAC concept, proprietary pro-drugs

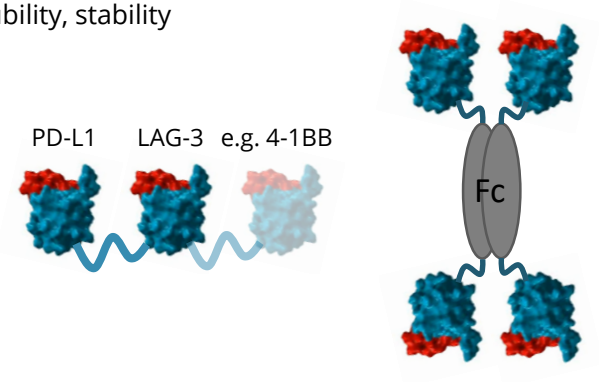


Inflamed Tumours Strategy: Multi-specific Therapies



30% patients

Key Benefits: Formatting flexibility, small size, solubility, stability



The Broader Affimer TMAC™ Platform Opportunity

Affimer®

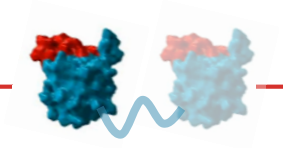
First TMAC Programme

FAPα sensitive linker

PD-L1

I-DASH inhibitor warhead

Broad TMAC patent covers a range of I-O targeting, linkers and warheads and Avacta owns all the commercial rights to the TMAC platform



Immuno-oncology Active Targeting

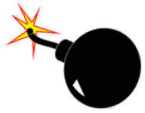
Induction/maintenance of adaptive immune response overcoming immune evasion.

- PD-L1, other immune-checkpoints, bispecifics and costimulatory receptors
- Additional tumour targeting via tumour specific biomarker if required

Tumour Microenvironment Sensitive Linkers

Tumour microenvironment enzyme sensitive linkers provide **secondary targeting mechanism.**

- FAPα
- MMP2, MMP9, MMP14
- Matriptase
- Legumain



Synergistic Toxins

I-O Active warheads **targeting "bystander" cells**, including macrophage, NK cells, etc. and supporting tumor stroma.

- DPP8/9; proteasome; AKT; CDK inhibitors
- STING; TLR7/8 agonists
- Doxorubicin

Patent Application July 2018: *Tumor Microenvironment – Activated Drug-Binder Conjugates, and Uses Related Thereto.* US Patent Application Serial Number 62/680,300

Pipeline: Principal In-house Programmes

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Programme	Discovery	Lead Optimisation	Pre-clinical	Phase 1
Checkpoint Antagonists				
AVA004 PD-L1				
AVA017 LAG-3		AVA-021 Bispecific		
Costimulatory Agonists				
AVA026 4-1BB				
AVA023 CD40				
Affimer TMAC™ Drug Conjugates				
AVA004-100 PD-L1/I-DASH				Tufts School of Medicine
Technology Development				
AVA003 Affimer XT (serum albumin)				
Undisclosed PK/ADME Modifiers				LG Chem

Key Preclinical and Clinical Milestones

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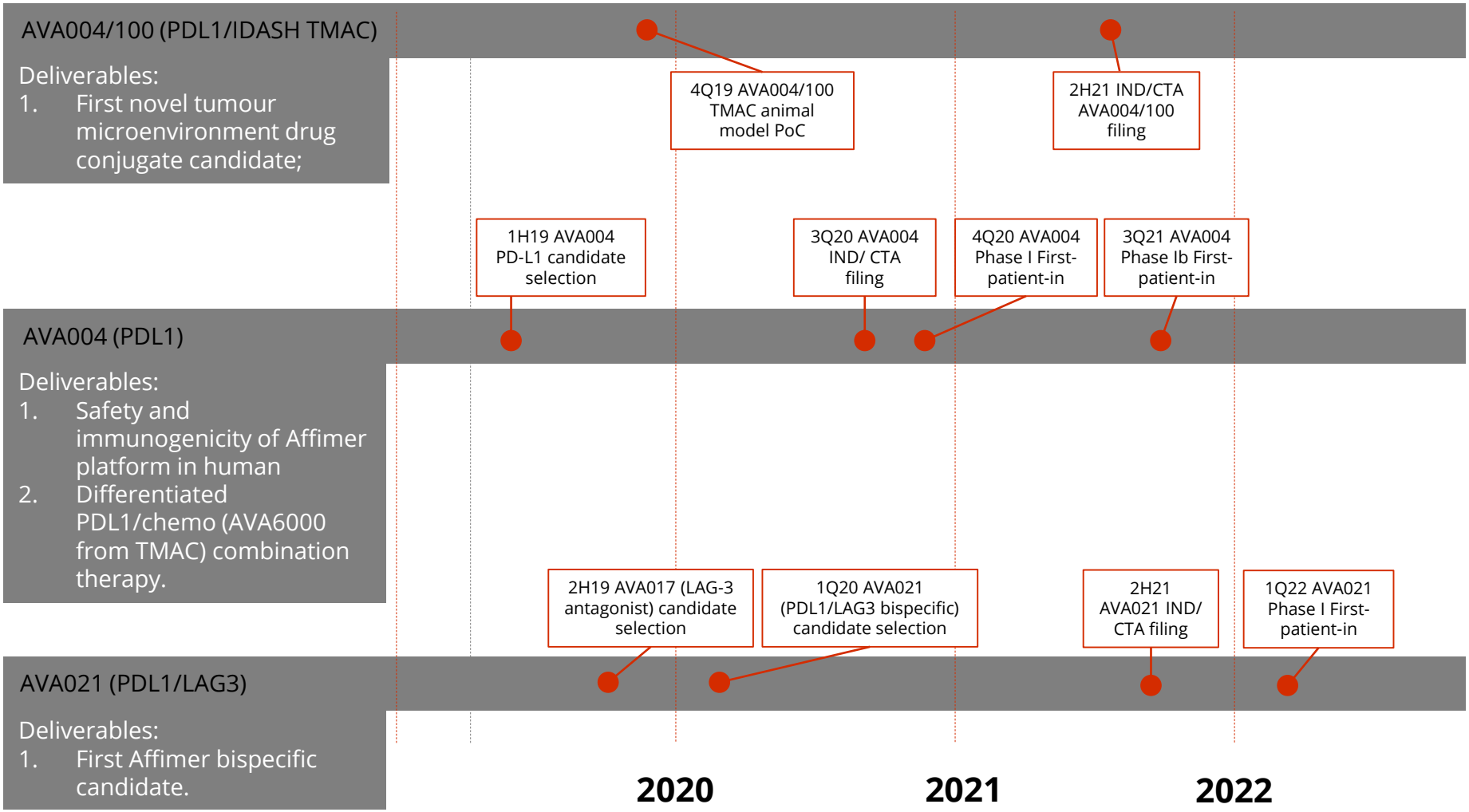


Appointment of Dr Jose Saro as Chief Medical Officer

Affimer®

Dr Jose Saro

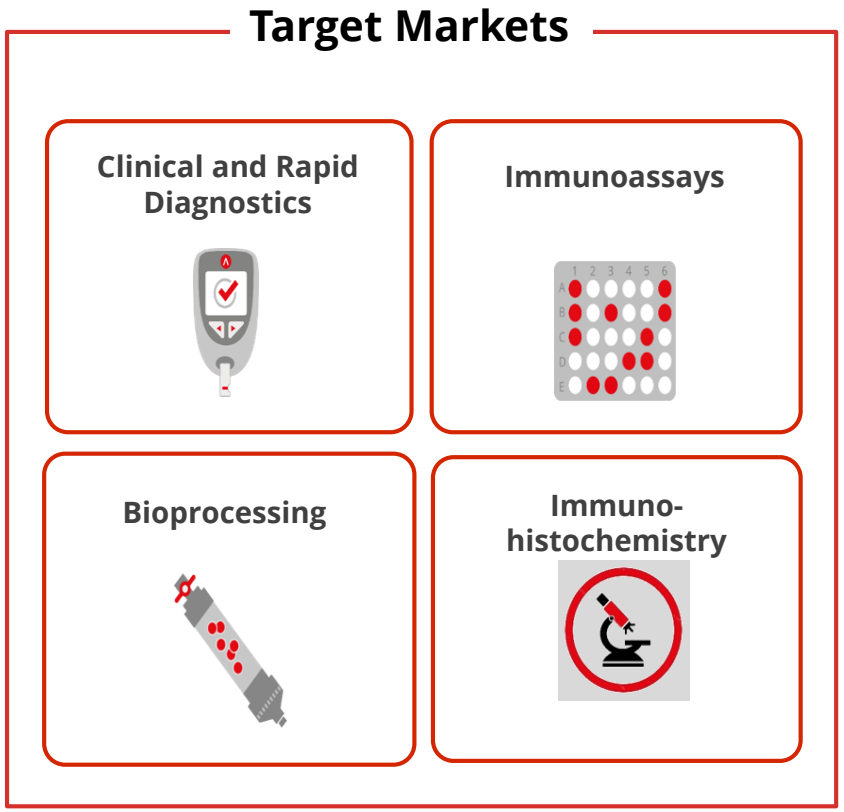
- Over 20 years' experience in the pre-clinical, translational and early clinical development of oncology assets.
- Joined Avacta from Roche where he held the role of Senior Translational Medicine Leader at the Roche Innovation Center Zurich in which he focused on immuno-oncology and the development of combination products.
- Prior to his position at Roche, Dr Saro was Executive Director Oncology Global Development and Medical Affairs at Bristol Myers Squibb, based in Paris, where he led and contributed to many oncology clinical development programmes, including Sprycel, Ipilimumab (Yervoy anti-CTLA4), Nivolumab (anti-PD1), anti-PDL1, anti KIR, anti LAG3, Brivanib, MEK inhibitor and Elotuzumab.
- Previously, Dr Saro was Executive Director of Translational Medicine and Early Clinical Development (Oncology) at Novartis, and has held senior positions at Eisai, and Wyeth.

Affimer Reagents Overview

Affimer®

Differentiated Affimer reagents for research and diagnostics markets

- Building a profitable reagents business as quickly as possible by supplying or licensing Affimers into high value applications in diagnostics and research.
- Focus is 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.



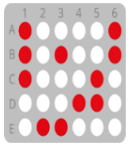
Affimer Reagents: Business Update

Affimer®

Market leading, turn-key performance

Establish market leading reputation and grow revenue stream

Anti-idiotypic Reagents



Bioprocessing

Evaluations ongoing with global players

Secure strategic partnership(s)

Immuno-histochemistry

Clinical and Rapid Diagnostics

Working with multiple global Dx companies

Evaluation ongoing with global IHC providers

Secure strategic partnership(s)

Building a portfolio of Dx assets

One or more fully validated Dx assets for licensing

License deal with New England Biolabs

Affimer Reagents: 2019 Targets

Affimer®

- Total Affimer services revenue £1.5m(E) (£1.2m 2018).
- Secure further reagents license deals through technology evaluations to underpin long term royalties.
- Develop at least one diagnostic immuno-assay product for licensing:
  - Quicker route to licensing deals than relying on third parties to evaluate the technology and develop the diagnostic test before licensing.
  - Currently generating Affimers for several diagnostics targets for which there is unmet need, or current tests perform poorly, or there is commercial opportunity in emerging markets.
  - One or more of these will be developed into diagnostic immunoassays with the aim of demonstrating differentiated performance over currently available tests during 2019.

Summary

Affimer®

Best-in-class antibody alternative technology

The Affimer platform is a best-in-class antibody alternative with superior formatting flexibility coupled with high expression levels, stability and solubility.

Therapeutics strategy focused on extending the benefit of immunotherapies

Proprietary pipeline of **multi-specifics** and **novel TME active drug conjugates (TMAC™)** to extend the benefit of immunotherapies to a much wider group of patients.

Considerable uplift opportunity

Significant commercial, pre-clinical and clinical milestones should be achieved in the **near future** that would support **considerable valuation uplift**.

Highly disruptive

Affimer® technology is not based on antibodies so it is not covered by antibody IP and therefore gives new entrants an opportunity to compete in valuable markets.

Downside risk protection through revenue generating reagents business

Affimer is a **platform technology** capable of generating a continuous pipeline of products. Unlike classic biotech companies, Avacta has **downside protection** for investors from a reagents business generating **recurring revenue in the research and diagnostics markets.** (not covered in this presentation)

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