
Avacta®
Avacta Group plc
June 2020 Placing Presentation

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pre|CISION™

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Introduction

Avacta Group Overview

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LSE: AVCT ~£400M market capitalisation

Therapeutics Division

- Based in Cambridge, UK
- R&D Centre: 33 (inc 20 PhDs) scientists/ technicians
- In-house focus on immuno-oncology
- Global partnerships (oncology, autoimmune, cell and gene therapy)

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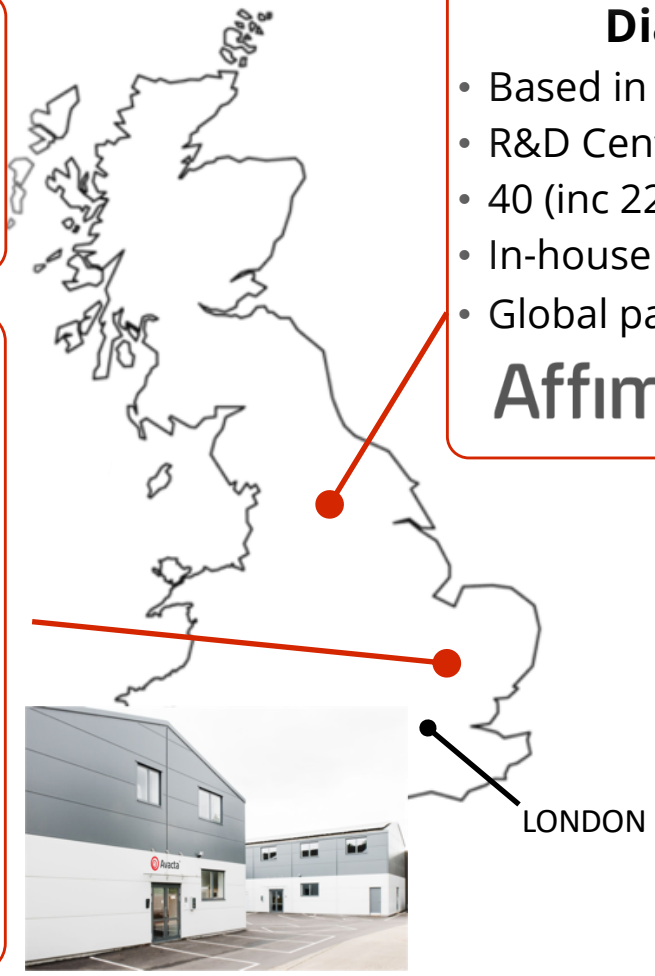

Diagnostics Division

- Based in Wetherby, Yorkshire
- R&D Centre and plc Headquarters
- 40 (inc 22 PhDs) scientists/technicians
- In-house product development
- Global partnerships (undisclosed)

Affimer®

cytiva

ADEPTRIX

moderna ADC THERAPEUTICS DAEWOONG PHARMACEUTICAL CO.,LTD. LG Chem Life Sciences

Avacta's Proprietary Platform Technologies

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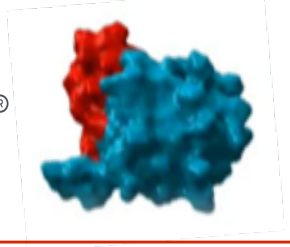
Affimer: An Alternative to Antibodies

- Based on a **naturally occurring protein** (stefin A) and engineered to **display a binding surface** like an antibody**.**
- Can be used to generate a **pipeline of novel immunotherapies for cancer** and other diseases and a **pipeline of immunoassays for diagnostics**
- **Smaller, simpler and more robust, soluble and stable** than antibodies.
- **Low cost of manufacturing and security of supply**
- **Proprietary and unencumbered IP.** (Multiple patent families covering several generations with priority dates 2017/13/09).
- **Freedom to operate** where there is antibody IPR.

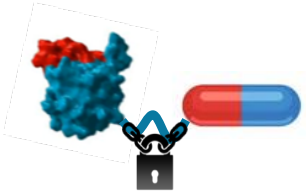
Affimer®



pre|CISION: targeted chemotherapies

- pre|CISION is based on chemistry that is **specifically** cut by an enzyme called **fibroblast activation protein-α (FAP)** that is **highly upregulated in most solid tumours.**
- Substrate exclusively licensed from Tufts University. (Multiple patent families with priority dates 2012/14).
- **preCISION substrate renders chemotherapy inactive** until removed in the tumour by FAP.

- Substrate can also be incorporated into a **drug conjugate linker** to release the chemo warhead in the tumour.



pre|CISION™

Strong Base and Substantial Untapped Potential to Grow Long Term Sustainable Shareholder Value

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Therapeutics

Pre-clinical and clinical pipeline
Licensing/development partnerships/JVs

Affimer®

Fully human antibody mimetic
- Immunotherapies
- Engineered cell therapies
- Gene delivery
- Drug conjugates

Avacta®

In-house immunotherapy pipeline:
- AVA004 PDL1 clinical candidate
- Potential for a pipeline of PDL1 bi-specifics

LG Chem moderna

ADC THERAPEUTICS

DAEWOONG PHARMACEUTICAL CO.,LTD.

Stem cell therapy JV "AffyXell"

pre|CISION™

FAP activated substrate
- Improved safety, tolerability and efficacy of existing chemotherapies
- Novel drug conjugates

Avacta®

In-house pro-drug chemotherapy pipeline
- AVA6000 pro-doxorubicin
- AVA3996 pro-velcade
- Paclitaxel pro-drug
- Oxaliplatin pro-drug
- Plus 7 others prepared

Avacta® Tufts University School of Medicine

Novel TMAC drug conjugates
- PDL1/IDASH
- Potential for a pipeline of PDL1 TMACs

Diagnostics

Product pipeline and services
Licensing/OEM

Affimer®

In-house product pipeline
- Addressing gaps in large testing markets using superior Affimer performance
- Infectious diseases including COVID-19 antigen tests
- Drug monitoring
- Point-of-care

Technology evaluations with partners (>25)
- Rapid point of care testing
- Infectious diseases
- Drug monitoring
- Fertility/women's health
- Other

ADEPTRIX

cytiva

Strong growth (135%) in early stage revenues from partnered developments and manufacturing


COVID-19 Antigen Test

SARS-COV-2 Rapid Antigen Test: Collaboration with Cytiva (formerly GE Healthcare)

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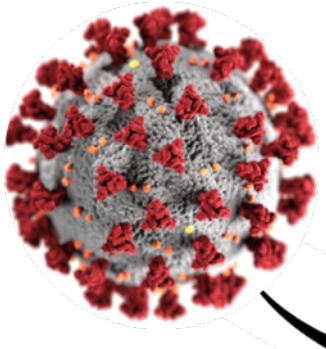
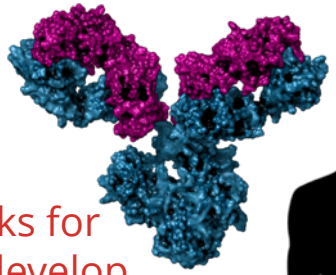
Have I **Got** Coronavirus ? vs Have I **Had** Coronavirus ?



Person infected with coronavirus

~1-2 weeks for body to develop antibodies



Blood sample

Results in about 20 minutes
"Serological Tests" Available

Saliva sample

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cytiva

Results in minutes
Simple to use by anyone

Nasal or throat swab

"PCR" tests
Lab test results in 1-3 days

COVID-19 Antigen Testing Market: Not Just a Short Term Opportunity

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The consensus view is that hundreds of millions of antigen tests will be required per month to support the fight against the pandemic and initial easing of the lock-down during 2020, and to deal with the long term challenge of endemic COVID-19.

- PCR testing will not be able to provide daily testing for millions of people
- A rapid point-of-care antigen test using saliva is ideal for mass screening of populations for COVID 19 infection.
- There are only a few rapid antigen test strips in development to our knowledge and none have CE/FDA approval yet.
- Avacta has put in place a distribution partner for the direct-to-consumer market (Medusa19) and will put in place additional distribution partners for the healthcare professional/work-force testing markets, as well as OEM partnerships in order to maximise the commercial opportunity.
- Given the expected volume of sales for COVID-19 antigen testing products the potential revenue stream has the potential to be transformational for Avacta.

SARS-COV-2 Rapid Antigen Test Update

cytiva

(formerly GE Healthcare Life Sciences)

Development partner for rapid, saliva based COVID-19 antigen test

ADEPTRIX

Development partner for high-end, high-throughput laboratory COVID-19 test

MEDUSA 19

Direct-to-consumer distribution partner for COVID-19 antigen test and future self-test products


Therapeutics Pipeline

pre|CISION Pro-drugs
AVA6000 Pro-doxorubicin

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AVA6000 addresses the safety issues of a $1bn generic chemotherapy

Background

Doxorubicin has been a standard of care treatment for advanced soft tissue sarcoma (ASTS) for 40 years.

Treatment is limited to six cycles due to cumulative cardio-toxicity.

Nevertheless, the global market for this generic drug is $1bn.

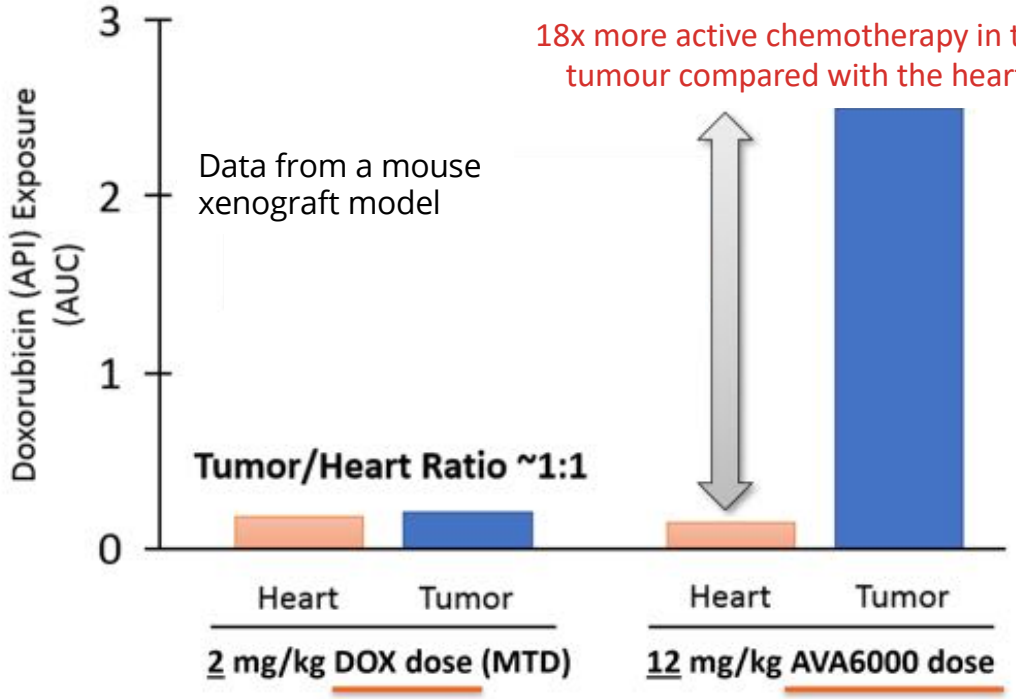
Improved safety could permit many more cycles of treatment per patient at the same dosing level.

AVA6000 Market Opportunity

For three indications only (ASTS, breast and ovarian cancer) peak sales for a safer/more efficacious form of dox in the US/EU alone is estimated to be **$1.5bn* pa with a 5-10% royalty to Avacta plus development milestones in near term.**

* Commercial Evaluation: AVA6000 (Globe Life Sciences, March 2020)

Targeting of Drug to Tumour Spares Heart Tissue



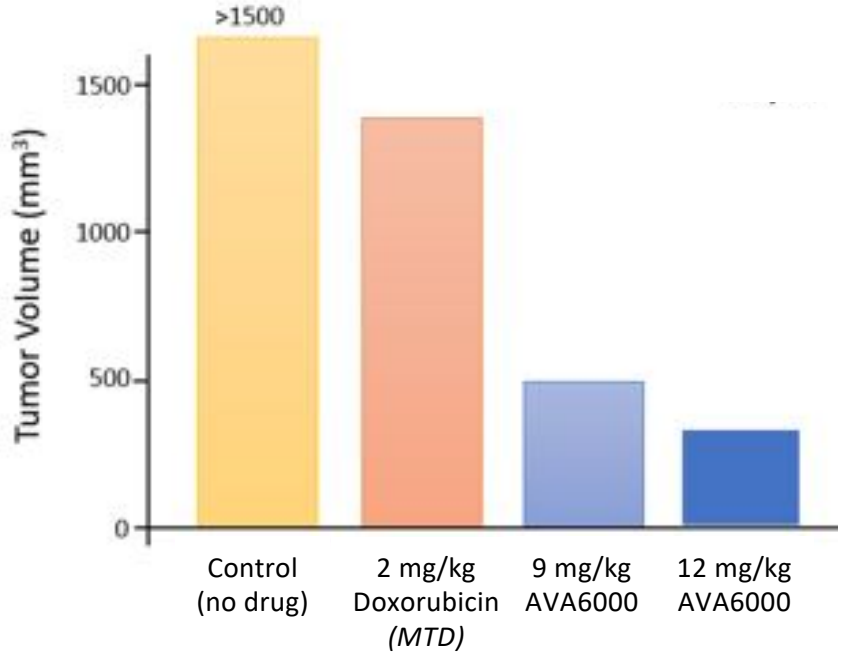
Phase I Timeline

Expected CTA filing Q3 2020 and dosing first patients late 2020/ early 2021. **Proceeds of the placing will allow Avacta to also file an IND in 2020.**

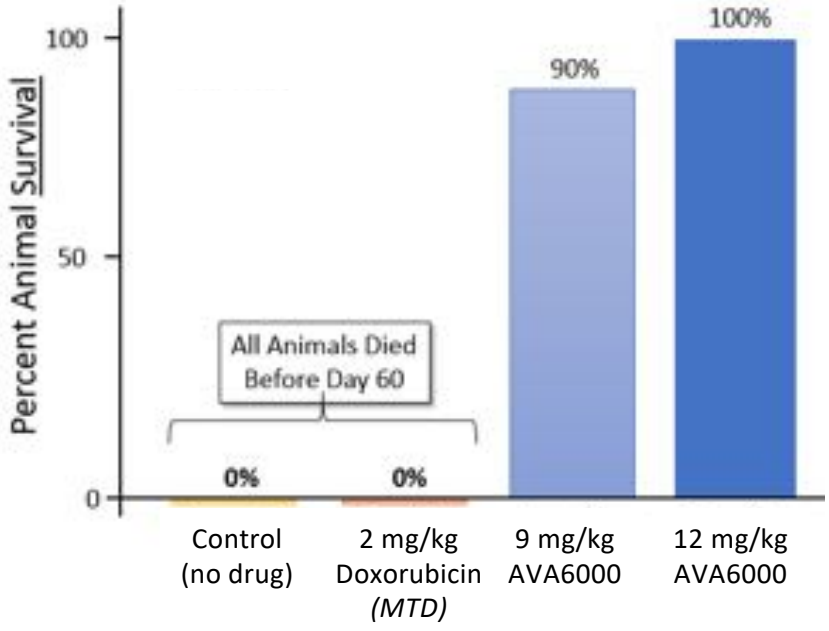
AVA6000 Pro-doxorubicin Efficacy

AVA6000 Pro-doxorubicin permits higher doses than the MTD for doxorubicin resulting in better anti-tumour activity in mouse xenograft model

Effect on Tumour Size



Effect on Survival



Xenograft Model: (This and previous slide) Fox Chase SCID mice were inoculated subcutaneously with HEK-mFAP cells. When tumours had grown to a mean volume of 100 mm^3 (Day 28), the mice were randomized to the indicated treatment groups (n = 10). Agents were administered once per week by intravenous injection, continuing until mean tumour volume reached 1500 mm^3 or other humane endpoints were reached. Presented data represents mean ± SEM.

Wider pre|CISION Pro-drug Opportunity

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pre|CISION can be widely applied to a range of chemotherapies in a market expected to be worth $56.5bn (2024) (CAGR 11.50%) driven by increased cancer detection rates

Example: Velcade

- Bortezomib (Velcade, Takeda Pharmaceuticals) had annual sales of $1.2bn (2018)
- **BUT – approval limited to multiple myeloma because of dose limiting toxicities,**
- **AND - coming off patent by 2022.**
- Pre-clinical development of AVA3996 pro-velcade will be restarted using placing proceeds.

Example: Taxanes

- Taxanes, such as the Paclitaxel, are used to treat a range of cancers such as prostate, breast and cervical.
- Paclitaxel has global sales of $2.96bn (2018) and is expected to generate revenue of $6.63bn by end of 2025.
- **BUT - significant toxicities, such as myelosuppression and peripheral neuropathy, limit the effectiveness of paclitaxel-based treatment regimens.**

Ideal for pre|CISION tumour activation to create safer and proprietary pro-drugs.

Conservatively assume the pre|CISION prodrug versions of these can achieve similar market sizes delivering 5-10% pa royalty to Avacta plus development milestones.

Part of proceeds to be used to develop a pipeline of pre|CISION pro-drugs, some of which have already been synthesized, with an addressable market of many $billions pa.

Including but not limited to:

- preCISION Velcade
- preCISION Paclitaxel
- preCISION Oxaliplatin
- preCISION Gemcitabine
- preCISION Capecitabine
- preCISION PARP inhibitor
- preCISION PD-1 Inhibitor
- preCISION AKT inhibitor
- preCISION Balixafortide

Tumour Microenvironment Activated Drug Conjugates (TMAC™)

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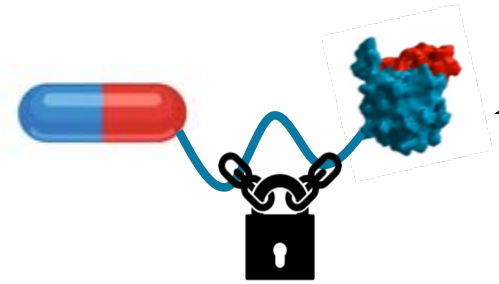
Combination of Avacta's two proprietary platforms to deliver a chemotherapy and an immunotherapy in a single drug molecule

Chemo "Warhead"

- Released in the tumour by the preCISION linker chemistry.
- Selected to kill tumour cells and create an inflammatory event that recruits the immune system.
- Potential for a pipeline of TMACs using different immuno-active warheads e.g:
- I-DASH = DPP8/9 inhibitor
- STING and TLR7/8 agonists



pre|CISION™

FAP Sensitive Linker

Affimer Immunotherapy

- Supports the immune attack on the tumour by blocking the signal the tumour uses to evade the immune system.
- Potential of a pipeline of immunotherapy and targeting Affimers including bispecifics.

Lead TMAC Programme: AVA04-VbP

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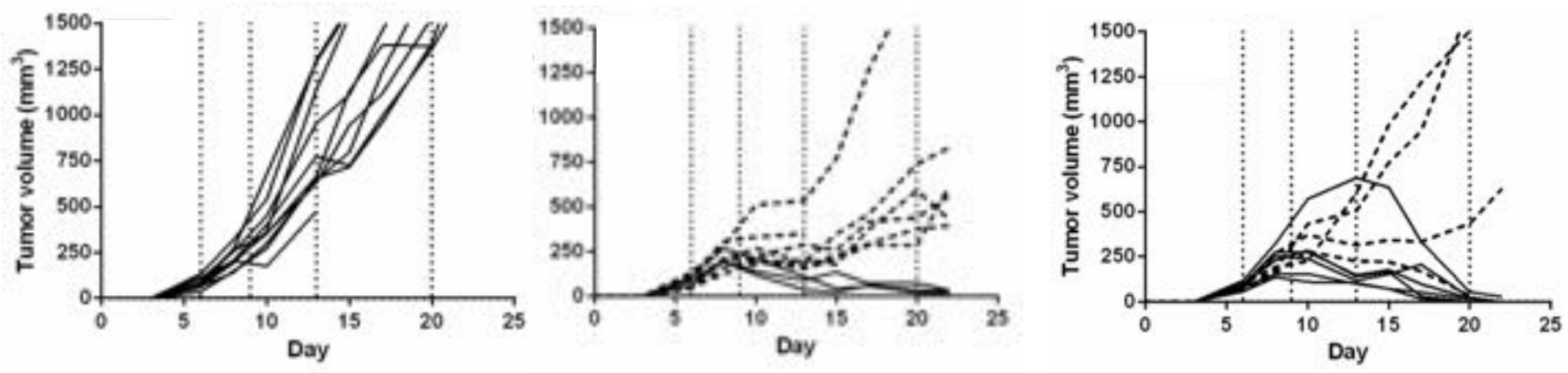
In the colorectal tumour model CT26 VbP TMACs produce full regression of the tumours

Control | **AVA04 anti-PD-L1 | VbP TMAC** | **Undisclosed Affimer | VbP TMAC**



- Two TMAC formats were tested in a CT26 tumour model. The TMACs incorporated a VbP warhead (talabostat mesylate) with either a PDL1 antagonist Affimer or an undisclosed Affimer.
- Work carried out at Tufts University Medical School.

- In the case of the PD-L1/VbP TMAC, this produced complete regression in 30% of the tumours, and in the case of the undisclosed Affimer/VbP TMAC, 60% of the tumours showed complete regression.
- These data give us strong belief that the VbP TMACs hold great promise as a transformative therapy for cancer patients.

Partnered Therapeutic Programmes

Affimer®
pre|CISION™

Fully funded programmes with partners and retention of the commercial rights to the Affimer molecules outside of the collaboration

LG Chem

Multi-target development partnership and licensing deal worth up to $310m with $2.5m upfront, $5m in near-term milestones, royalties on future products and full research costs

The LG Chem Partnership continues to advance, with LGC having selected two additional targets – one being a new therapeutic target and the other being a PK/ADME modifier for modifying the biodistribution and tissue retention of Affimers.

ADC THERAPEUTICS

Three target deal to develop Affimer-drug conjugates incorporating ADCT's proprietary PBD warheads (licensed from AZ). Fully funded by ADCT with development milestones and royalties on future sales.

ADC Therapeutics have selected the first target and work has commenced to generate Affimer leads for ADCT to evaluate in cell killing assays and then to progress into animal models.

Partnered Therapeutic Programmes

Affimer®
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Fully funded programmes with partners and retention of the commercial rights to the Affimer molecules outside of the collaboration

DAEWOONG PHARMACEUTICAL CO.,LTD.

Established JV January 2020 to develop next generation engineered stem cell therapies that secrete immuno-modulatory Affimer proteins, with an initial focus on autoimmune diseases.

AffyXell is focusing on both anti-inflammatory and tissue regenerative applications.

Avacta owns 45% of AffyXell.

AffyXell has moved forward quickly with the first three candidate Affimer programs underway along with the generation by AffyXell of GMP-compliant banks of mesenchymal stem cells (MSCs) to be engineered to express the Affimers at the site of inflammation.

moderna

First therapeutic partnership established in 2015 which triggered Avacta's therapeutic programmes and the establishment of the therapeutics business unit.

Multi-target research collaboration to develop Affimer drug candidates for mRNA delivery.

Commercial option exercised by Moderna in 1Q2019 to take Affimer lead molecules against one particular target into clinical development.

Use of Proceeds (2020-23) of the Heavily Oversubscribed Placing, 5 June 2020

Affimer®
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Accelerated scale-up of diagnostics business and expansion of therapeutics pipeline

Rapid Scale-up of Diagnostics Business, approx. £10 million:

- Working capital for the COVID-19 testing opportunity
- Expansion of in-house diagnostics product development capabilities including facilities, capital equipment; scientific, commercial and senior leadership teams
- Acceleration of broader diagnostics product pipeline and commercial partnerships

Accelerated Expansion of Pipeline of Differentiated Cancer Therapies, approx. £35 million:

- Rapidly growing the pre|CISION™ pre-clinical pipeline and delivering pre-clinical packages for several pro-drugs (pre|CISION™ velcade, paclitaxel and oxaliplatin).
- Expanding the Affimer® immunotherapy pipeline (PDL1-TGFβ inhibitor and PDL1-cytokine bispecifics).
- IND/CTA filings for one or more Affimer immunotherapies (TMAC drug conjugate (PDL1-IDASH) or first bispecific candidate) and one or more pre|CISION pro-drugs.
- Obtain first-in-human data for the Affimer® platform.
- UK phase I clinical trial for first pre|CISION™ chemotherapy AVA6000 pro-doxorubicin covered by current cash reserves, with the proceeds of the placing being used to fund IND filing AVA6000.

Summary

Affimer®
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In-house and partnered pipelines of novel cancer therapies based on two proprietary platform technologies: Affimer® - antibody mimetic platform - and preCISION™ - tumour targeted chemotherapy platform.

In-house and partnered pipeline of diagnostics based on the Affimer platform including saliva-based COVID-19 rapid antigen test.

Potential near-term value inflection points arising from launch of COVID-19 antigen tests and phase I clinical trial of AVA6000 pro-doxorubicin.

Partnerships in place with LG Chem Life Sciences, Moderna Therapeutics, Daewoong Pharmaceuticals, ADC Therapeutics, Tufts University and Cytiva (formerly GE Healthcare Life Sciences) and others; discussions on-going with potential new partners.

Placing to raise working capital to fund scale-up of the COVID-19 antigen testing opportunity, and funding to accelerate expansion of in-house pipeline of Affimer immunotherapies and preCISION cancer therapies, and accelerate expansion of in-house diagnostic product pipeline.

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