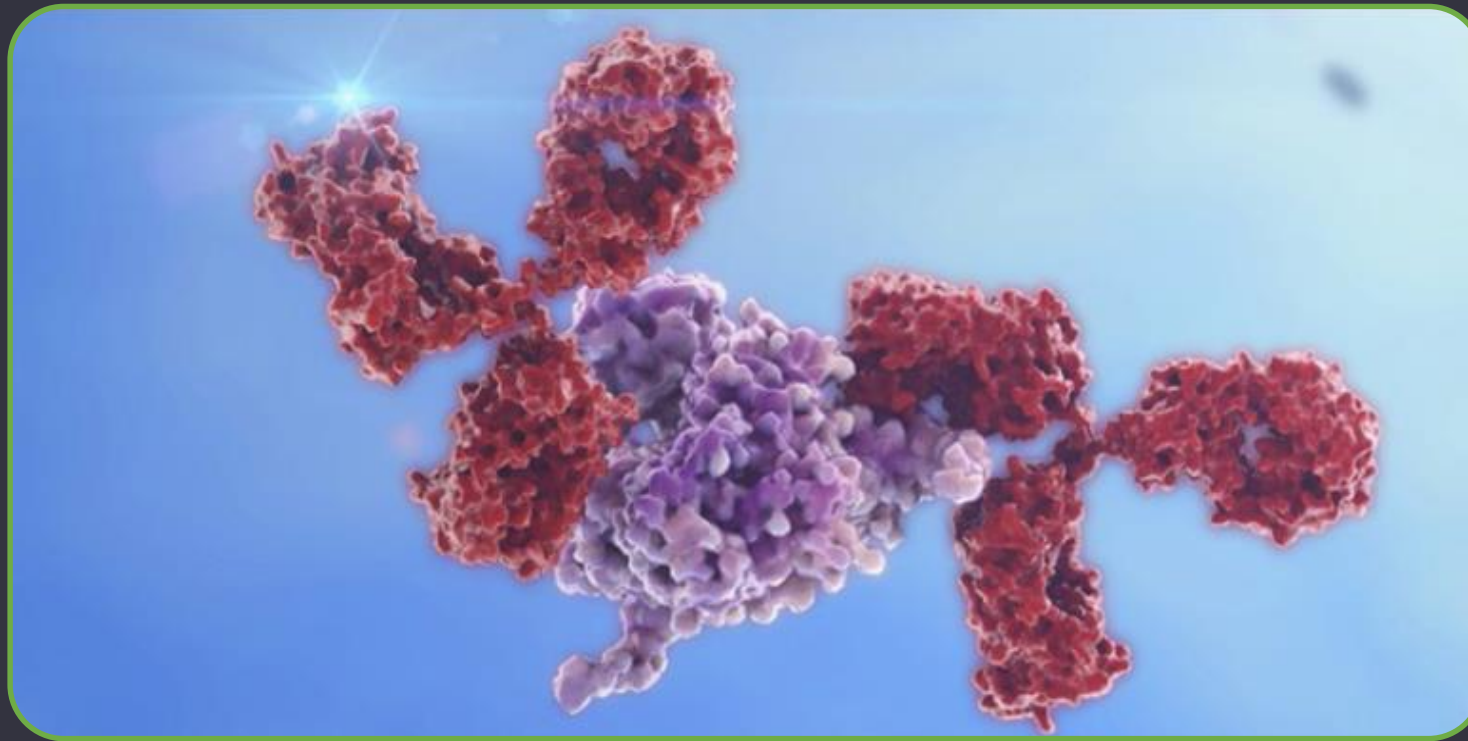




---

**ANTIBODY DEVELOPMENT SERVICES FOR THE PHARMA & DIAGNOSTIC SECTORS**



**INVESTOR PRESENTATION**  
**May 2018**

# DISCLAIMER

This presentation has been prepared by Fusion Antibodies Plc (the “Company”). By attending this presentation and/or reviewing the slides you agree to be bound by the following conditions.

The information and opinions contained in this presentation have not been independently verified, are provided as at the date hereof and are subject to amendment, revision and completion without notice. No person is under any obligation to update or keep current the information contained in this presentation. No representation, warranty or undertaking, expressed or implied, is made by the Company, its advisers or representatives, or their respective officers, employees or agents as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or reasonableness of the information or the opinions contained herein. The Company, its advisers or representatives, or their respective officers, employees and agents expressly disclaim any liability which may be based on this presentation and any errors therein or omissions therefrom.

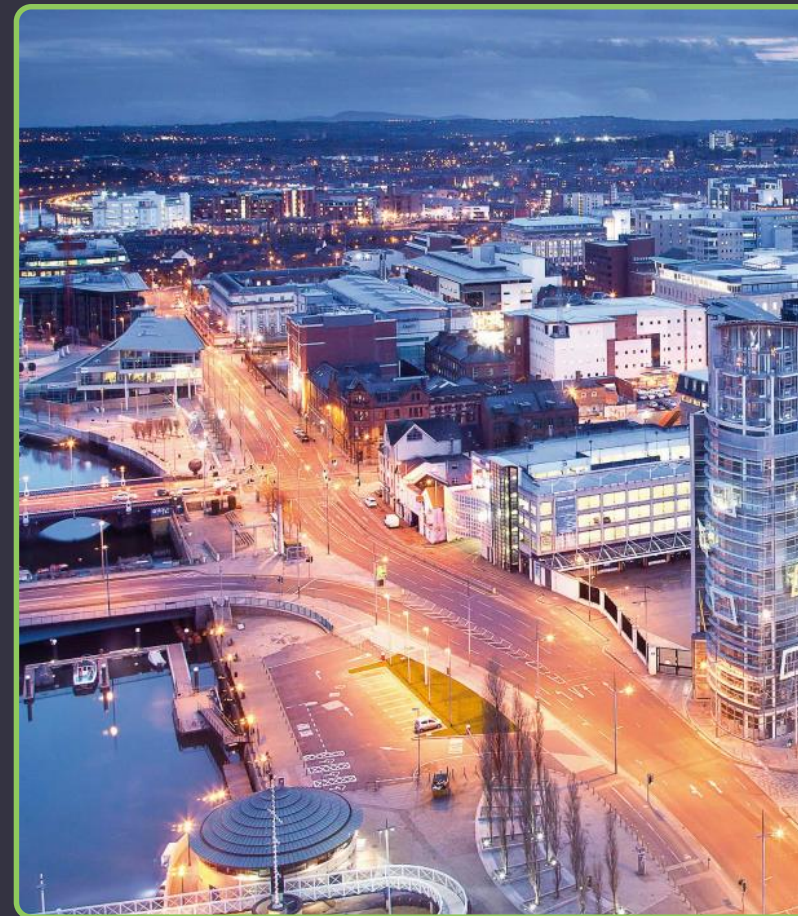
This presentation does not constitute or form any part of, and should not be construed as, an offer to sell, or an invitation or solicitation or recommendation to purchase, or subscribe for or underwrite or otherwise acquire any securities in the Company in any jurisdiction and does not constitute or form part of a prospectus. No part of this presentation should form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment or investment decision whatsoever.

This presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this document is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. If you are in any doubt in relation to these matters, you should consult your stockbroker, bank manager, solicitor, accountant, taxation adviser or other independent financial adviser (where applicable, as authorised under the Financial Services and Markets Act 2000).

Statements in this presentation include information with respect to the Company’s financial condition, its results of operations and business, strategy, plans and objectives. Words such as “anticipates”, “expects”, “should”, “intends”, “believes”, and “estimates” as well as statements in the future tense, identify forward-looking statements. These forward-looking statements are not guarantees of the Company’s future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company’s ability to control or estimate precisely.

By receiving this presentation you have represented, warranted and undertaken that: (i) you are both a relevant person and a qualified investor, and you will observe the foregoing provisions, limitations and conditions; (ii) you have read and agree to comply with the contents of this important information including, without limitation, the obligation to keep the information in this presentation confidential; and (iii) you will not at any time have any discussion, correspondence or contact concerning the information in this presentation with any third parties without the prior written consent of the Company.

Except as may be required by law or regulation, the Company undertakes no obligation to update any if its forward-looking statement, which speak only as of the date of this document.



# Executive Management



**Dr Paul Kerr**  
**Managing Director**

*Over 20 years experience in the biopharmaceutical industry and over 15 years experience with the Company. PhD from Queens University Belfast. Fusion MD since 2011.*



**Dr Richard Buick**  
**Chief Technical Officer**

*Over 19 years in the biopharmaceutical industry. CTO since 2011, responsible for all custom research and production services. PhD from Queens University Belfast.*



**James Fair FCA**  
**Chief Financial Officer**

*Qualified accountant for 25 years. Has worked with Fusion for 8 years.*

# Fusion Antibodies – Overview



- Fusion Antibodies is a **profitable and growing** biotech contract research organisation (CRO)
- Established business in antibody discovery, engineering, humanisation and cell line development
- Listed on AIM on 18 December 2017 following a successful fundraise of £5.5m. Shares listed at 82p
- Range of **services from discovery to clinical supply** for antibody-based therapeutic drugs & diagnostics for International Pharma, Biotech & Research Institute clients
- Revenue derived from fee-for-service payments with milestone / success based fees included in certain contracts
- Order book as at 30 September - £1.3 million
- **First client humanisation project in clinical trials** with more expected to follow in 2018
- Clients have included a number the top ten global pharmaceutical, biotech and diagnostic companies by revenue



# Why antibodies?

Since the development of biologic drugs such as human growth hormone and insulin several decades ago, drug targets have increased exponentially with the discovery of new genetic information and a better understanding of disease processes.

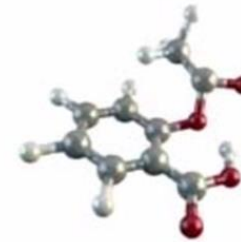
With a better understanding has come the need for more targeted therapies.

Monoclonal antibodies are specialised in targeting a very specific structure on a cell surface.

For example when used in cancer therapy, they bind selectively to the receptors of cancer cells, making it possible to mark and fight specific abnormal cells.

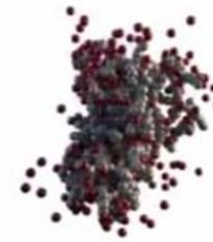
Healthy cells are usually not attacked in this process, so that biologics often cause fewer side effects than classic chemotherapy.

SMALL MOLECULE DRUG



Aspirin  
21 atoms

SMALL BIOLOGIC



Human Growth Hormone  
~ 3000 atoms

LARGE BIOLOGIC



Monoclonal antibody  
~ 25,000 atoms

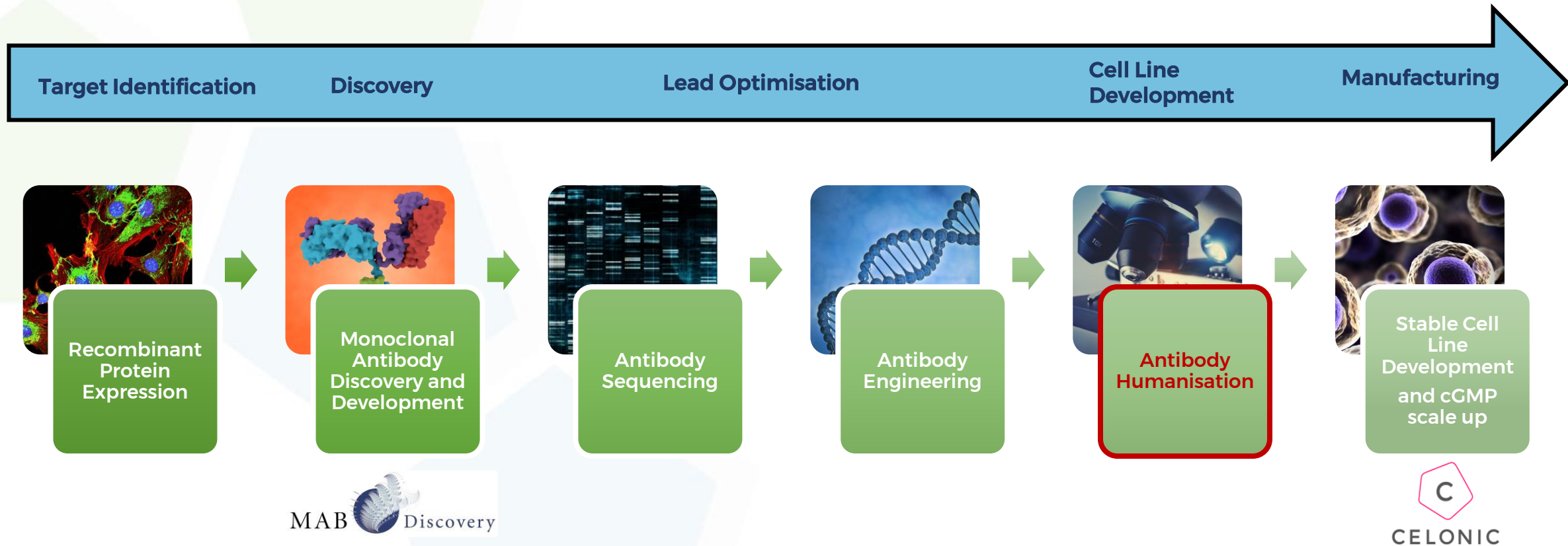
Images not in scale

# The global market for antibodies

- The market for therapeutic monoclonal antibodies was >\$85 billion in 2015
  - *This is expected to increase at a CAGR of 8.2%-12.2% to between \$139 & \$246 billion by 2024*
- Six of the world's top eight selling drugs in 2016 were antibody based therapeutics
  - *Combined annual sales of these drugs exceeded \$54 billion*
- 67% of the 77 antibody-based drugs approved up until July 2017 were fully human or humanised mAbs
- The rate of approval of antibody based drugs has increased in recent years, with 36 new approvals since the beginning of 2014

# Multi-service offering

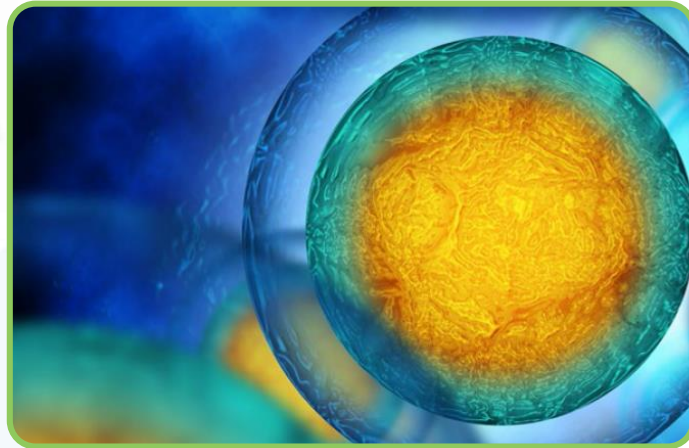
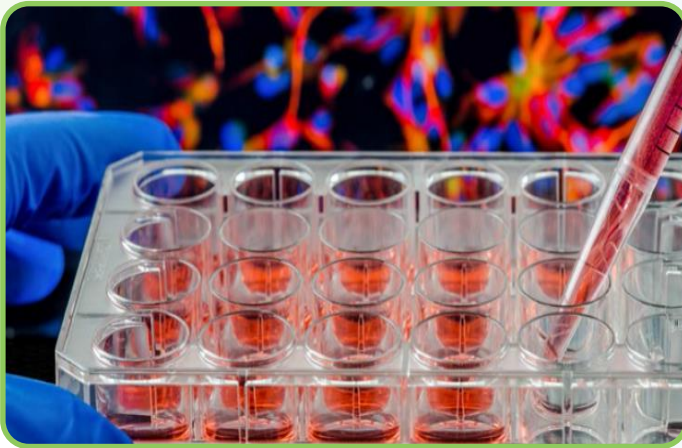
## Services provided from antibody discovery to clinical supply



*Revenues generated by a fee-for-service, with milestone success payments included where possible*

# CDRx™ – Antibody Humanisation Platform

- Proprietary technology platform
- Enables rapid design & generation of humanised antibody constructs
- International clients in Pharma, Biotech & Research Institutes
- A leader in the number of humanisation projects completed
- High rate of follow on business
- CDRx™ has a high success rate in humanisation studies



*Proprietary software system utilising data base of over 100,000 antibody sequences*  
*First humanised antibody now in clinical trials*



# Expert Scientific & Technical Advisory Services

*Due to the Company's technical expertise, it has been appointed by the US court of Delaware as expert witnesses in multibillion dollar drug cases involving top 10 ranked pharmaceutical companies.*

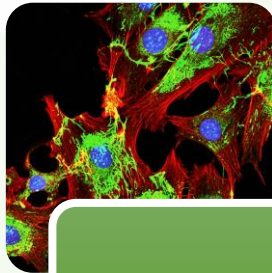
- Fees for retained consultancy services, expert opinion and testimony evidence
- Demand for services to increase significantly as more therapeutic antibodies are developed and first-to-market antibodies reach the end of their patent protection
- High value services due to highly specialised nature of services and significant revenues at stake



# Future growth & product development

Organic growth plus addition of new, high value, market differentiating services

2017



Organic growth

- Further Biopharma industry collaborations for antibody discovery & humanisation using CDRx™
- Antibody engineering services for large pharma outsourcing due to capacity issues
- Focus on long term, high value, high volume supply agreements with diagnostic companies

2018



Antibody Affinity Maturation

- A technically advanced platform to improve performance of antibody based drugs
- The Directors believe that there will be significant demand for this service

2020



Mammalian Antibody Library

- A 'plug and play' platform designed enabling direct biologic drug discovery
- Antibodies discovered and developed using this library would be subject to licence / royalty payments
- Breaks into high value market for fully human therapeutic antibodies



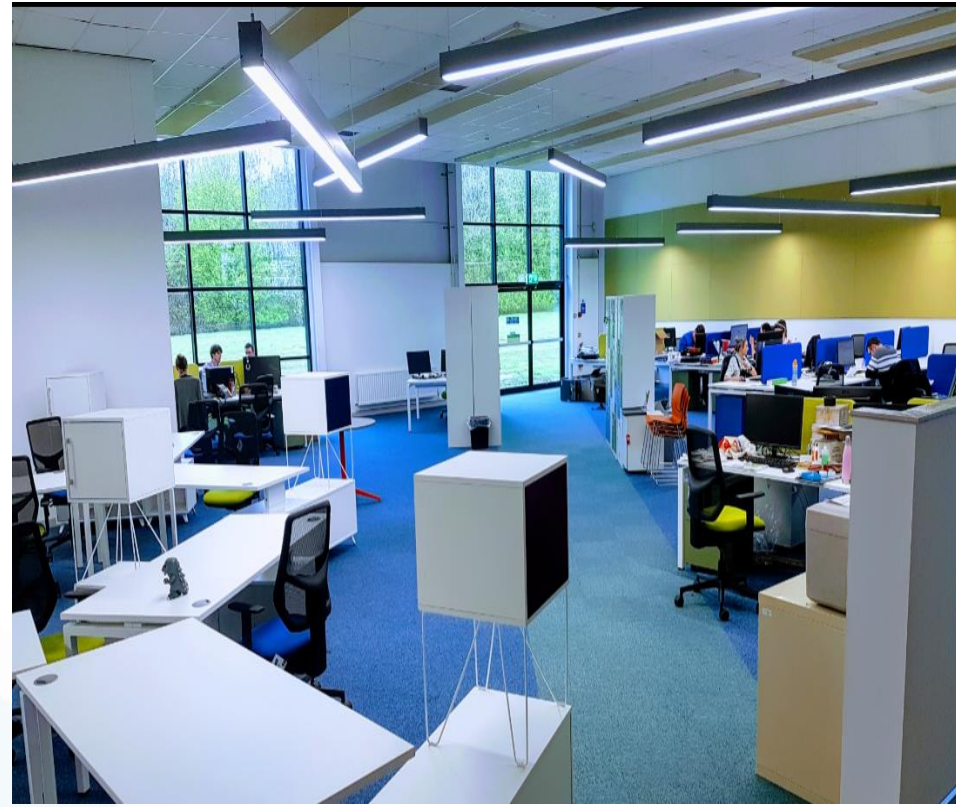
# Planned expansion of capacity in-line with expected growth

Increasing laboratory and office space from 10,000 sq ft to 20,000 sq ft

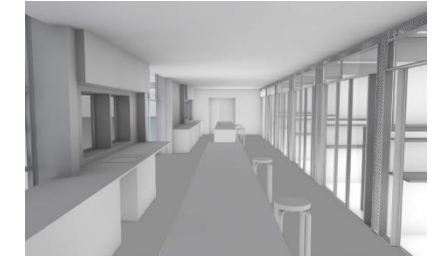
Building work due to finish by the end of summer 2018 **under** original budget of £2.6m



Existing laboratory - HQ



Phase 1 fit out complete



# High quality client base

International client base which includes a number of the top ten ranked global biopharma and diagnostic companies by revenue.

Top twenty clients account for approximately 67% of total revenues for FY 2017.

Only one customer accounts for more than 10% of total revenues.

Potential for further international expansion.



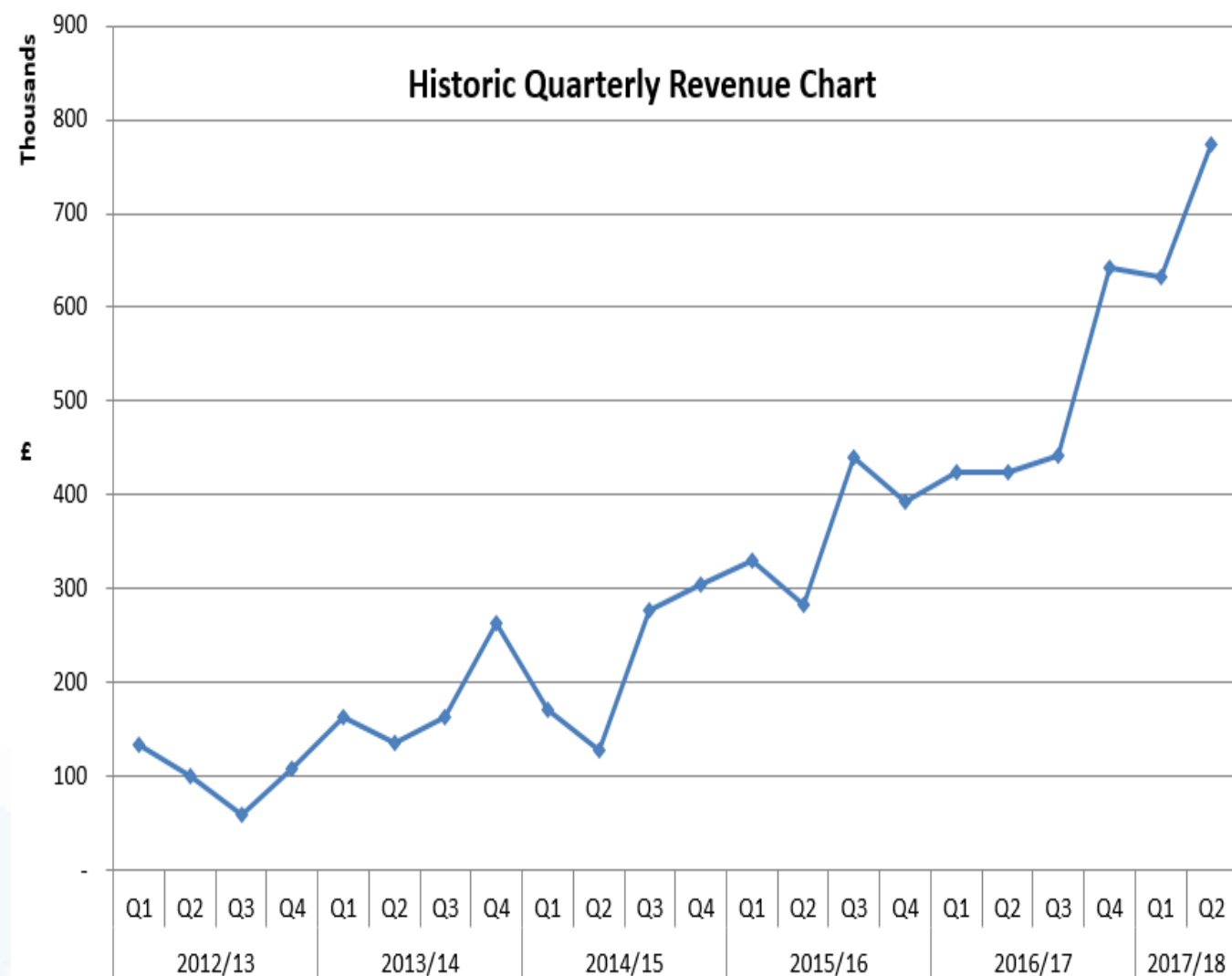


# Profitable with strong record of growth

£'000	12 mths to Mar-15	12 mths to Mar-16	12 mths to Mar-17	6 mths to Sept 17 (unaudited)
Sales	909	1,481	1,914	1,414
Gross Profit	449	863	961	817
	49%	58%	50%	58%
R&D	(163)	(126)	(97)	(19)
Selling	(131)	(146)	(282)	(191)
Overheads	(234)	(541)	(423)	(483)
Adj. EBITDA	(79)	50	159	124
IPO costs				(241)
EBITDA	(79)	50	159	(117)

## At 30 September 2017

- Bank balance of £190,000
- Total net assets of £1.8m



# Trading Update

New services under development remain on schedule:

- Antibody affinity maturation library
- Creation of mammalian antibody library
- Expansion of the laboratories and service capabilities ahead of schedule
- AIM floatation has introduced us to new clients

# Fusion Antibodies – Summary



- Fusion Antibodies is a **growing, profitable** and **cash generative** biotech CRO
- Strong revenue growth of at least 40% for FY March 2018 and adjusted EBITDA broadly in line with market expectations, around breakeven
- Revenue derived from fee-for-service payments with milestone / success based fees included in certain contracts
- An established business in antibody engineering, antibody humanisation and cell line development, providing a one-stop-shop for developers of antibody-based therapeutic drugs & diagnostics
- Already with **first client humanisation project in clinical trials** with more expected to follow

# Appendix



# Experienced Board



**Dr Paul Kerr**  
**Managing Director**

*Over 20 years business experience in Life Sciences. PhD from Queens University Belfast. Fusion MD since 2011.*



**Dr Richard Buick**  
**Chief Technical Officer**

*Over 19 years in commercial science. CTO since 2011, responsible for all custom research and production services.. PhD from Queens University Belfast*



**James Fair FCA**  
**Chief Financial Officer**

*Qualified accountant for 25 years and has held senior management roles in practice, and commercial sector. Has worked with Fusion for 8 years.*



**Dr Simon Douglas FRSA**  
**Chairman**

*25 years in Life Sciences with Amersham, ICI Zeneca and several VC backed Biotech Companies as CEO or Chairman*



**Dr Alan Mawson**  
**Non-Exec Director**

*MSc, MIT Boston, PhD Chemistry*



**Sonya Ferguson**  
**Non-Exec Director**

*Senior Director Global Head Customer Liaison Team at Q2 Solutions, a Quintiles company*



**Tim Watts**  
**Non-Exec Director**

*Over 25 years' experience in the Pharma & Biotech sectors including Gp Financial Controller of Zeneca Pharmaceuticals, CFO of Arcimedes Pharma & Oxford BioMedica*



**Colin Walsh**  
**Non-Exec Director**

*CEO of Crescent Capital: 28 year's experience in Venture Capital investments and listed companies*

# Value of the biologics drug market

The global top 8 selling drugs in 2016 (Source GEN March 2017)

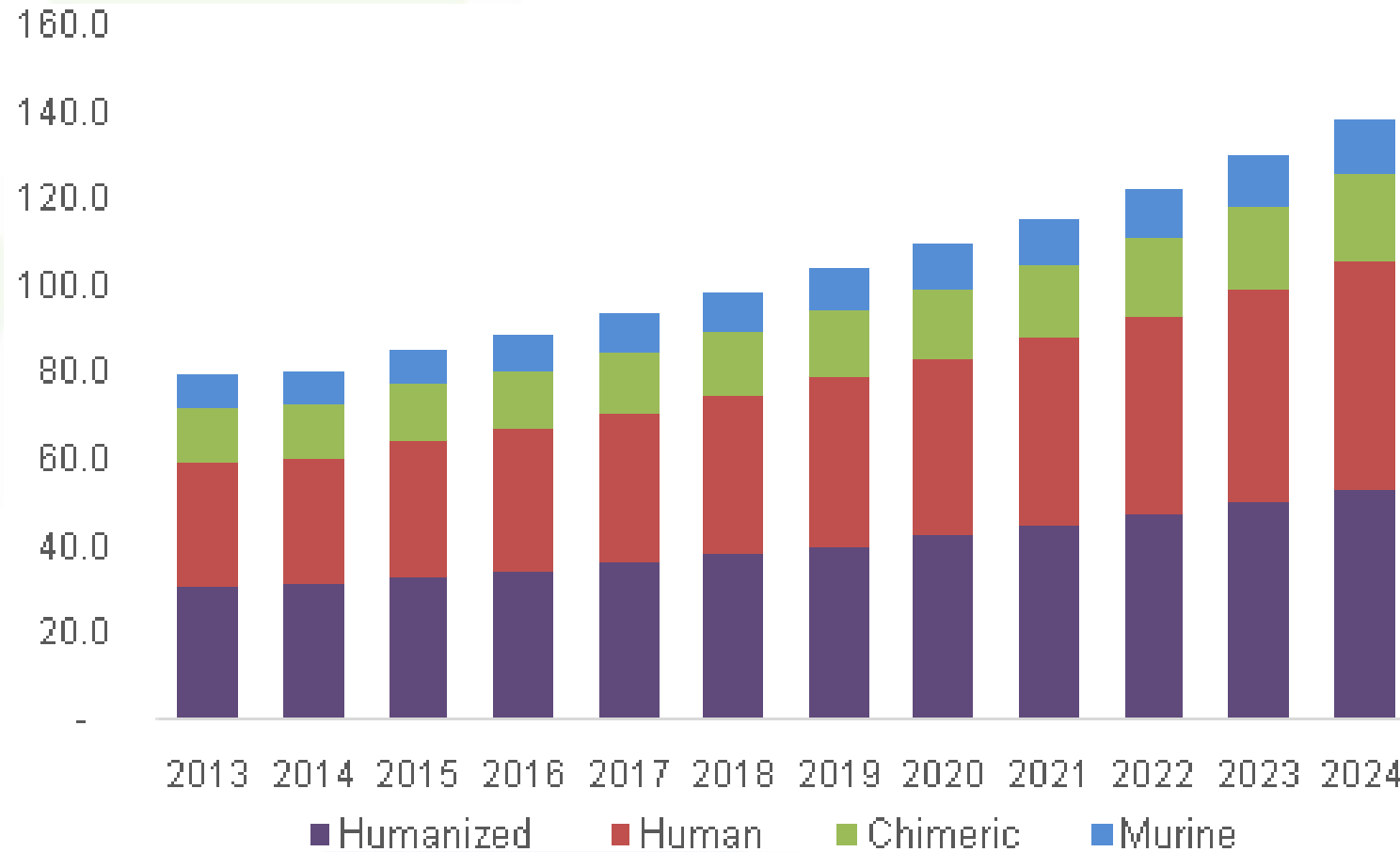
Table Key - **highlighted** indicates antibody based drugs

Place	Trade name	Revenue	Company	Indication
1	Humira	\$16.1B	AbbVie	Rheumatoid arthritis
2	Harvoni	\$9.1B	Gilead Sciences	Hepatitis C
3	Enbrel	\$8.9B	Amgen and Pfizer	Rheumatoid arthritis
4	Rituxan	\$8.6B	Roche (Genentech) and Biogen	Non-Hodgkin's lymphoma
5	Remicade	\$7.8B	Johnson & Johnson and Merck	Crohn's disease
6	Revlimid	\$7.0B	Celgene	Anemia
7	Avastin	\$6.8B	Roche (Genentech)	Cancer
8	Herceptin	\$6.8B	Roche (Genentech)	Cancer

# Importance of human/humanised antibodies



67% of the 77 antibody-based drugs approved up until July 2017 were fully human or humanised **mAbs**



Monoclonal Antibodies Market, By source Type, 2013 - 2024 (USD Billion)\*

\* Source: Grand View Research, November 2016