

Results Presentation

For the year ended 31 March 2023

Dr Adrian Kinkaid (CEO), Stephen Smyth (CFO)

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AGENDA

- **Introduction and highlights**
- Financial Performance
- R&D Platform
- Strategic Focus
- Summary

From
discovery to
clinical
supply

About Fusion Antibodies

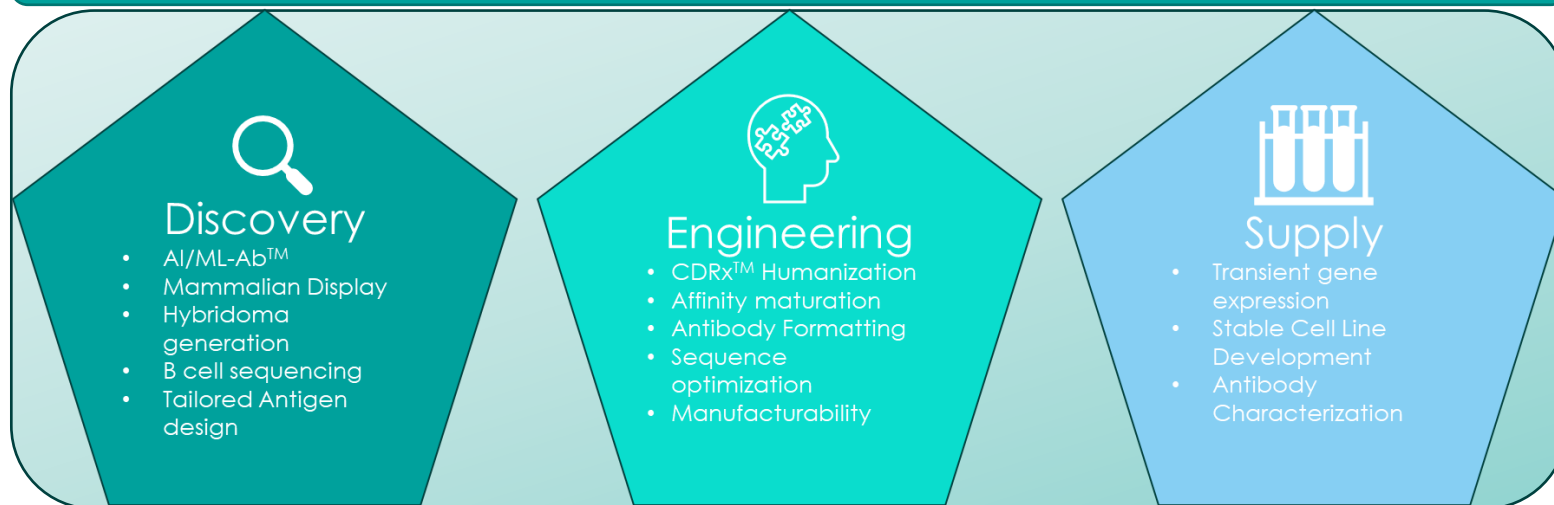


We are established experts in pre-clinical antibody discovery and development covering:

- **Discovery**
- **Engineering**
- **Supply**

We are dedicated to getting our customers to the clinic more quickly and with the best possible molecule against their target.

Integrated Therapeutic Antibody Service from Fusion Antibodies



We work with:

- Drug Discoverers
- Biotech
- Virtual Companies
- Diagnostic Companies
- Large Pharmaceutical Companies
- Research Institutions

Accelerating the Customer Journey



We accelerate the journey to the clinic by applying world-class scientific expertise, rapid methodologies and next-generation technology including **AI/ML** in an **Integrated Therapeutic Antibody Service** to deliver the best possible antibody against a given target.



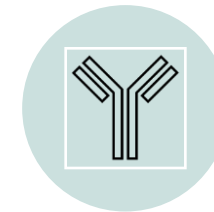
Team of internationally respected scientists, with decades of experience in bispecific and multispecific antibody design and development



Efficient, integrated approach, ensuring every decision strategically serves your end goals



Extensive knowledge and expertise, with which to de-risk development and production to accelerate program delivery



Comprehensive portfolio of antibody services, spanning discovery, engineering, and supply



Integrated Therapeutic Antibody Service, comprehensive expertise at all stages of antibody discovery & development



AI/ML-Ab™, combining novel AI/ML technologies with excellence in wet-lab capabilities

Key highlights for the year ended 31 March 2023



Operational

- Introduction of Integrated Therapeutic Antibody Services, a new approach for selling combined services
- Appointment of Adrian Kinkaid as CEO in August 2022
- Continued successful progress in development of the OptiMAL[®] library
- Small number of projects delayed by clients as they seek further investment
- 77% of revenues from outside UK; 50% of revenues from North America

Financial

- Revenues of £2.9 million (FY2022: £4.8 million)
- Expenditure on R&D increased by 14% to £0.8 million (FY2022: £0.7 million)
- Loss of £2.6 million (FY2022: £1.2 million loss)
- Cash position at 31 March 2023 was £0.2 million (31 March 2022: £2.0 million)

Post Year End

- Fundraise of approximately £1.67m
- Cost base significantly reduced (including £1.6m annualised savings), plan to profitability in place
- Appointment of Stephen Smyth as interim CFO in September 2023
- New revenue stream opportunities created and pipeline now 3x stronger than at year end



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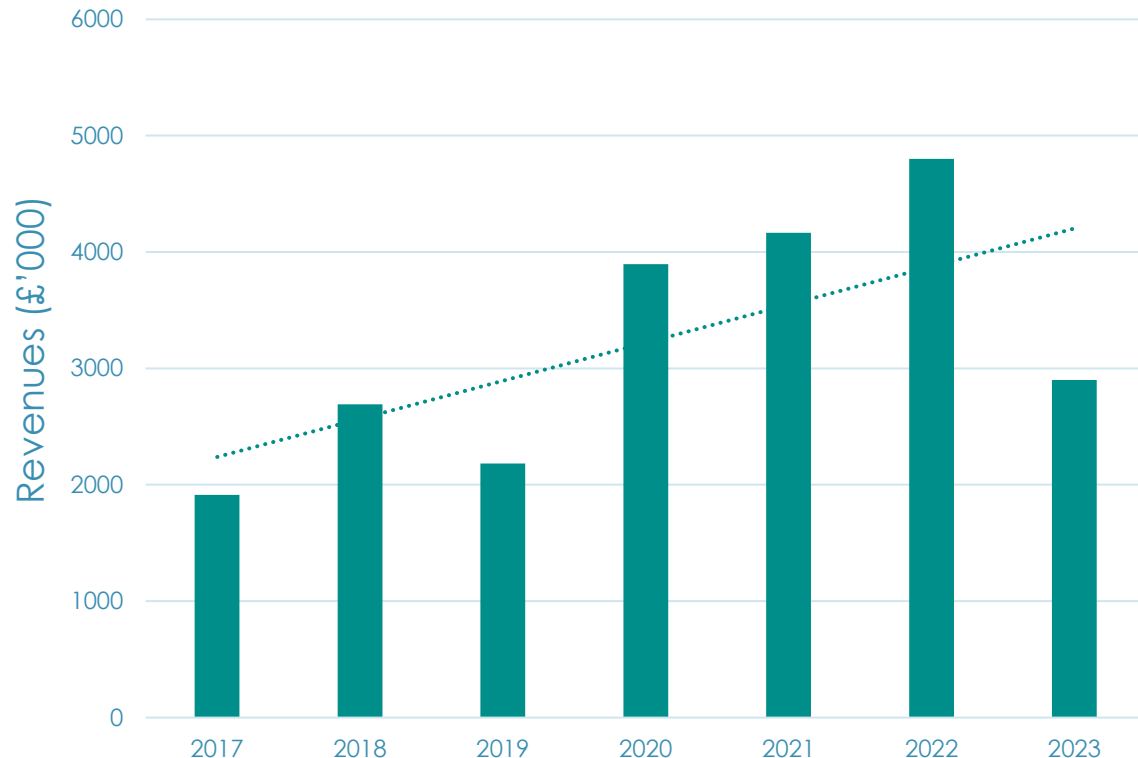
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Historical Revenues



Annual Revenues



- H1 2023 changes in senior leadership and commercial team
- H2 2023 saw significant decline in demand attributed to:
 - Reduced investment in VC funded biotechs
 - Rising interest rates
 - Nervousness due to Silicon Valley Bank
- Antibody sector remains enormously valuable
- Fusion expanding into adjacent markets

Income Statement extract



£'000	Year to 31 March 2022	Year to 31 March 2023
Revenue	4,799	2,901
Gross profit	2,466	574
<i>Margin*</i>	<i>51%</i>	<i>20%</i>
EBITDA	(574)	(2,486)

* Margin reduction in FY23 due to high cost base, which has been addressed in 2023
also FY22 includes £300k milestones

Summary Financial Position



£'000	Year to 31 March 2022	Year to 31 March 2023
Non current assets	633	375
Inventories	585	539
Receivables	1,648	953
Cash and cash equivalents	2,049	195
Current payables	(1,208)	(879)
Non current payables	<u>(23)</u>	<u>(60)</u>
Total equity	<u>3,684</u>	<u>1,123</u>

Summary Statement of Cash Flows



£'000	Year to 31 March 2022	Year to 31 March 2023
Cash used in operations	(325)	(1,746)
Investing activities	(257)	(111)
Financing activities	(55)	3
Movement in period	(637)	(1,854)
Closing cash balance	2,049	195

Post year fund raise of £1.5m after costs



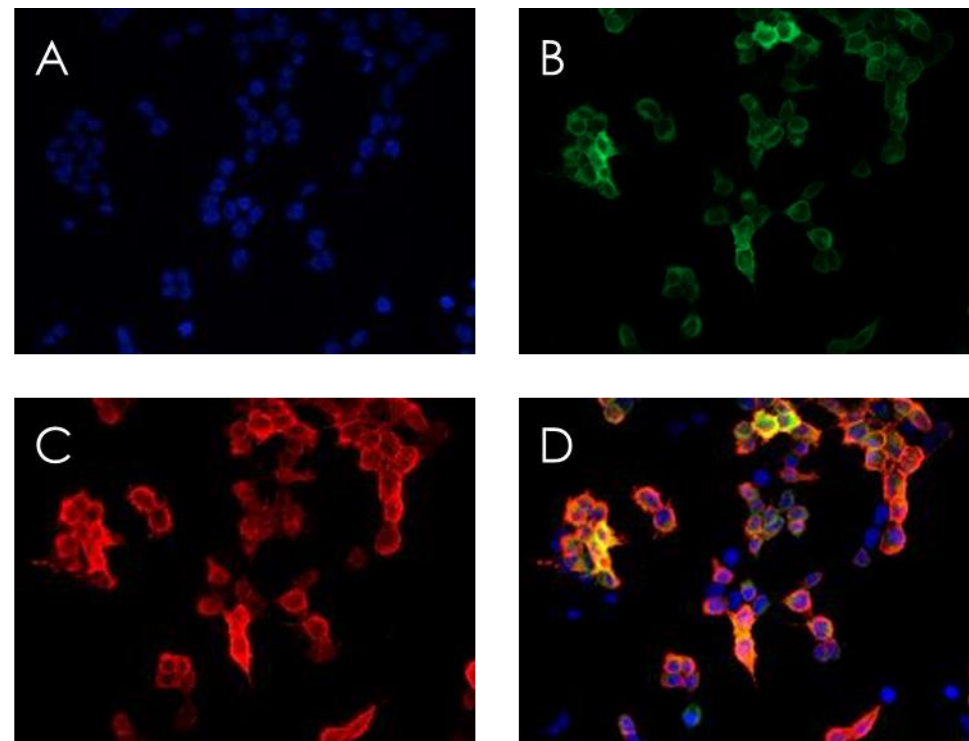
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OptiMAL[®] Highlights

- Groundbreaking platform using fully intact human antibodies expressed by mammalian cells
 - More rapid screening with reduced risk profile
- Mammalian Display validated
 - Selection of control antibody from 10 million sequence library
 - Cell surface display confirmed by Immunofluorescence (see next slide)
- HEK293T cells selected as the optimum cell line for Mammalian Display
- Research Collaboration under discussion to trial OptiMAL[®] for cancer targets



HEK293t cells transduced with anti-PD1 for cell surface expression. A: DAPI nuclear staining; B: GFP expression; C: Anti-IgG staining, APC fluorophore; D: Overlay of images A,B,C

Confirms high levels of human IgG expression on the surface of the HEK293t cells

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Strategic Areas of Focus



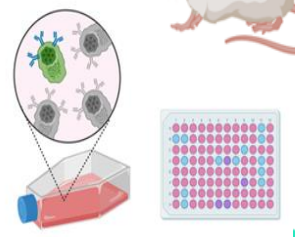
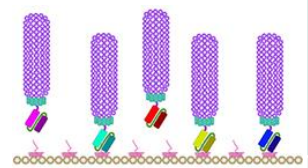
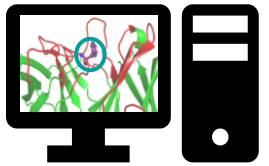
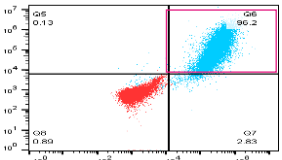
- Roll out of the new Discovery Engines increasing differentiation in support of Integrated Therapeutic Antibody Services (ITAS)
 - Mammalian Display
 - AI/ML-Ab™
 - OptiMAL® entering Beta Testing
 - Optiphage™ coming soon
- Seek out new commercial partnerships, distributors and commercial alliances
- Expand reach and client base to generate additional revenues with focus on exciting new AI/ML-Ab™ opportunities
- Increasing penetration of adjacent markets such as Veterinary Medicine, Diagnostics, Research antibodies

AI/ML-Ab™



- Uses powerful AI/ML algorithms to design novel antibodies entirely *in silico*
 - Rapid: as little as 2 weeks for *in silico* screen
 - No antigen required to start projects
 - Efficient: as few as 100's of sequences need to be progressed
 - De-risked by Fusion's Mammalian Display in case deeper screen required
- Commercial agreement in pace with US based specialist organisation
 - Purchase order already received
 - Additional partners identified to expand range of algorithms available
- Fusion provides essential 'real world' wet-lab expertise
- Feeds into complementary capabilities as part of ITAS offering through to production ready stable cell line

Discovery Engines



Discovery Engine	Library size	Antibody or Fragment	Primary Advantages	Available
OptiMAL®	10 ⁸ current 10 ⁹ planned	Full IgG	Mammalian Full Size Direct to product	Beta Testing
AI/ML-Ab™	10 ³ to 10 ⁵	Full IgG	Enables AI/ML Mammalian Full Size	Now
Optiphage™	10 ⁹	Fragments	Low risk/Market norm	Q1 2024 (Target)
Hybridoma	Non-library	Full IgG	Mammalian Full Size	Now
B-Cell Cloning	Non-library	Full IgG	Mammalian	Now



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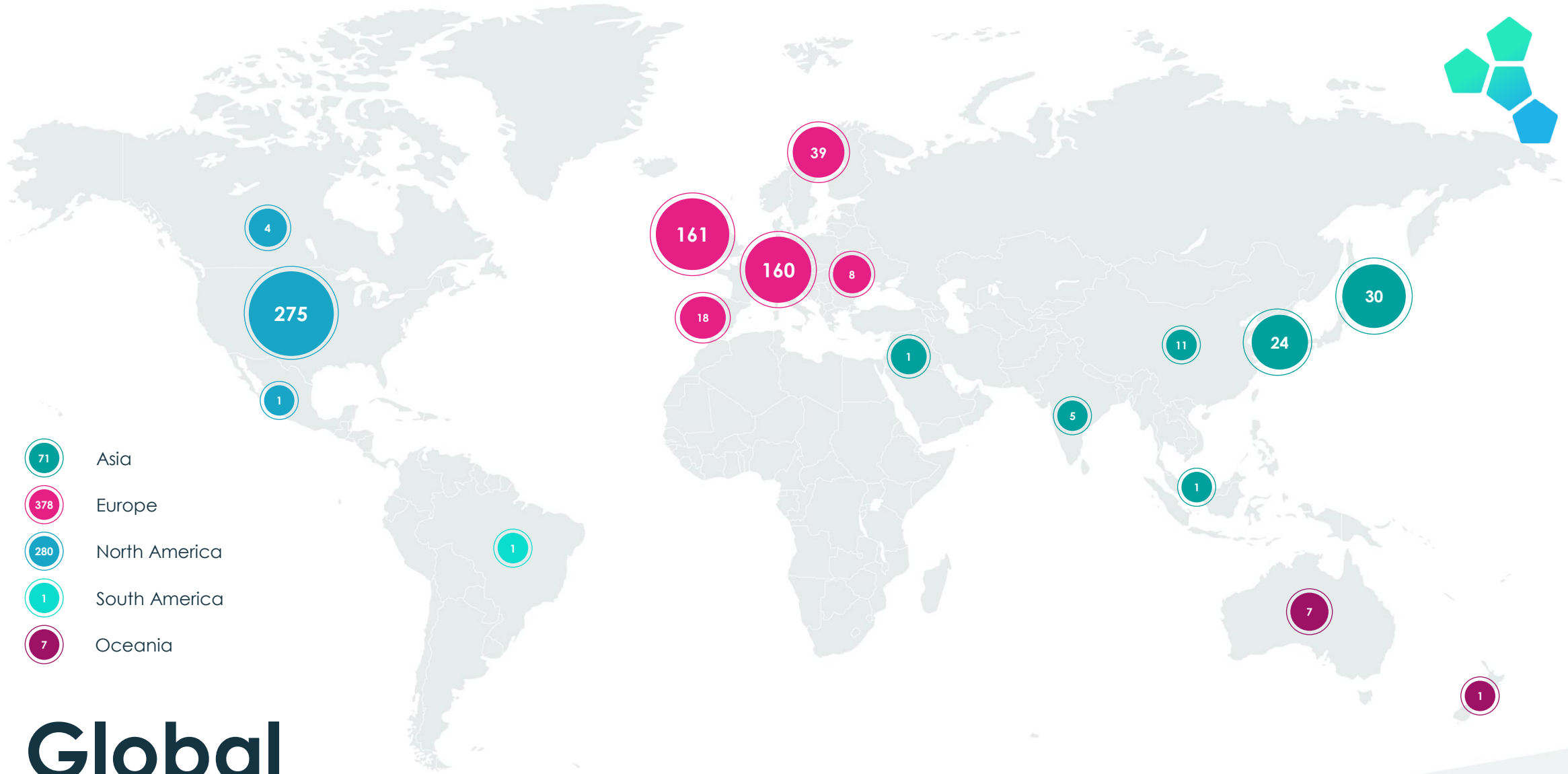
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Summary



- FY 2023 was very challenging
- Significant cost reduction exercise undertaken and now complete
- New platforms commercially launched, strengthening USP & Differentiation
 - Mammalian Display
 - AI/ML-Ab™
 - OptiMAL® entering Beta Testing
 - Optiphage™ coming soon
- Antibody markets remain highly valuable and Fusion is increasing penetration
 - Pipeline now 3x stronger than end of FY23
 - Pipeline includes opportunities in adjacent markets, ITAS & AI/ML-Ab™



Global Client Base



🖱️ fusionantibodies.com  