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Fusion Antibodies PLC
25 February 2019

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25 February 2019

Fusion Antibodies plc
("**Fusion**" **or the "Company**")

Trading update

Fusion Antibodies plc (AIM: FAB), a pharmaceutical contract research organisation specialising in antibody engineering services, provides an update on the Company's trading and progress to date in the current financial year ending 31 March 2019 ("FY 2019").

Whilst trading in the second half of the financial year to date has significantly improved on H1, due to the uncertain timing of closure of a number of potential substantial orders revenues for the full year are now expected to be materially below current market expectations but not less than £2.1 million. The Company will provide a further update on FY 2019 trading post the period end.

After a challenging first six months and disappointing revenues in H1 FY 2019, order levels picked up significantly from October 2018 onwards such that revenues in H2 FY 2019 are expected to exceed all previous six-month periods. Total orders received in H2 FY 2019 to date have exceeded £1.9 million (H1 2019: £1.2m, H2 2018: £0.8 million) with more in the pipeline. In excess of £1.1 million of these orders will not be fulfilled and therefore recognised until the next financial year. The Company remains in a strong cash position, with net cash in excess of £2.0 million. This figure is not expected to materially change prior to the year end.

In December 2018, the Company announced the launch of its new Rational Affinity Maturation Platform (RAMP^{TM}) and has continued to develop and market this service with favourable results. The Company has received one initial order and is in late discussions with several potential customers for this service. The Directors are confident that, as development of the platform continues, more data will become available which will help to differentiate this novel approach from existing providers.

As previously announced, the Company has been expanding its marketing and business development teams. The staff recruited early in the financial year are progressing well and this has had a positive effect on the Company's deal flow. In addition, the Company is in the process of recruiting a further Business Development Director in the field of Cell Line Development to strengthen the team. Cell Line Development capacity was significantly increased as part of the laboratory expansion, completed in August 2018, and the Directors believe this service will provide growth in coming periods. A Director of Marketing is also being recruited who will be responsible for strategic marketing planning,

market research and identifying improved value propositions which meet customer needs.

The Company has also appointed a new key scientist in the role of Antibody Discovery to help to develop an enhanced offering in this area in the laboratory and to contribute to the Company's growth.

Paul Kerr, CEO of Fusion Antibodies commented: *"Despite the lower than anticipated revenues to date, I am encouraged that since October 2018 we have seen significantly stronger order intake which is likely to lead to record six-month orders and revenues. The expansion of our facilities is complete and, together with the expansion of our team, we are now able to meet the increasing demand. I am also excited about the initial interest we are seeing from potential customers in our new RAMP™ technology, which will enable customers to improve the performance of many of their antibody based drugs."*

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