

ARCTURUS THERAPEUTICS

Building the Next Generation of RNA Medicines

S e p t e m b e r 2 0 1 9

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements relate to future events and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future performances or achievements expressed or implied by the forward-looking statements. Each of these statements is based only on current information, assumptions and expectations that are inherently subject to change and involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements about: expectations regarding our capitalization and resources; the adequacy of our capital to support our future operations and our ability to successfully initiate and complete clinical trials; our strategy and focus; the development and commercial potential of any of our product candidates; the timing and success of our development efforts; the success of any of our trials and our ability to achieve regulatory approval for any product candidate; the entry into or modification or termination of collaborative agreements; the date that an IND may be filed with the FDA; the potential market or success for the clinical development programs of Arcturus; and any statements other than statements of historical fact, including those related to Arcturus' future cash, market or financial position.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" and similar expressions (including the negative thereof) intended to identify forward looking statements. Arcturus may not actually achieve the plans, carry out the intentions or meet the expectations or projections disclosed in any forward-looking statements such as the foregoing, and you should not place undue reliance on such forward-looking statements. The forward-looking statements contained or implied in this press presentation are subject to other risks and uncertainties, including those discussed under the heading "Risk Factors" in Arcturus' Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on March 18, 2019, in Arcturus' Quarterly Report on Form 10-Q filed with the SEC on August 14, 2019 and in subsequent filings with, or submissions to, the SEC. Except as otherwise required by law, we disclaim any intention or obligation to update or revise any forward-looking statements, which speak only as of the date they were made, whether as a result of new information, future events or circumstances or otherwise.

Investment Highlights



BUILDING INNOVATIVE
RNA MEDICINES

Arcturus is an mRNA Medicines Drug Development Company Focused on Rare Diseases

LUNAR® Delivery Platform Validated by Multiple Strategic Partners

- More than \$1 Billion in potential milestones and royalties

Broad and Strong Intellectual Property Portfolio

- 175 Patents & Patent Applications
- LUNAR® Delivery Technology
- RNA Drug Substance & Drug Product Process Manufacturing



HQ: **San Diego**; Founded: **2013**; Nasdaq: **ARCT**
Outstanding Shares: **14.3M**; Employees: **85**;
Insider Ownership: **36.5%**

Promising Preclinical Safety Data for LUNAR® Delivery and mRNA Drug Products

Key Value Drivers: Platform & Pipeline



BUILDING INNOVATIVE
RNA MEDICINES

Platform: LUNAR® Delivery and RNA Technology, Enabling Genetic Medicines



SYNTHETIC GENOMICS



Strategic Partners: More than \$1 Billion in Potential Milestones & Royalties

Pipeline: Arcturus mRNA Medicines

LUNAR-OTC (ARCT-810) to treat Ornithine Transcarbamylase (OTC) Deficiency

OTC Deficiency market potential \$500M annual sales

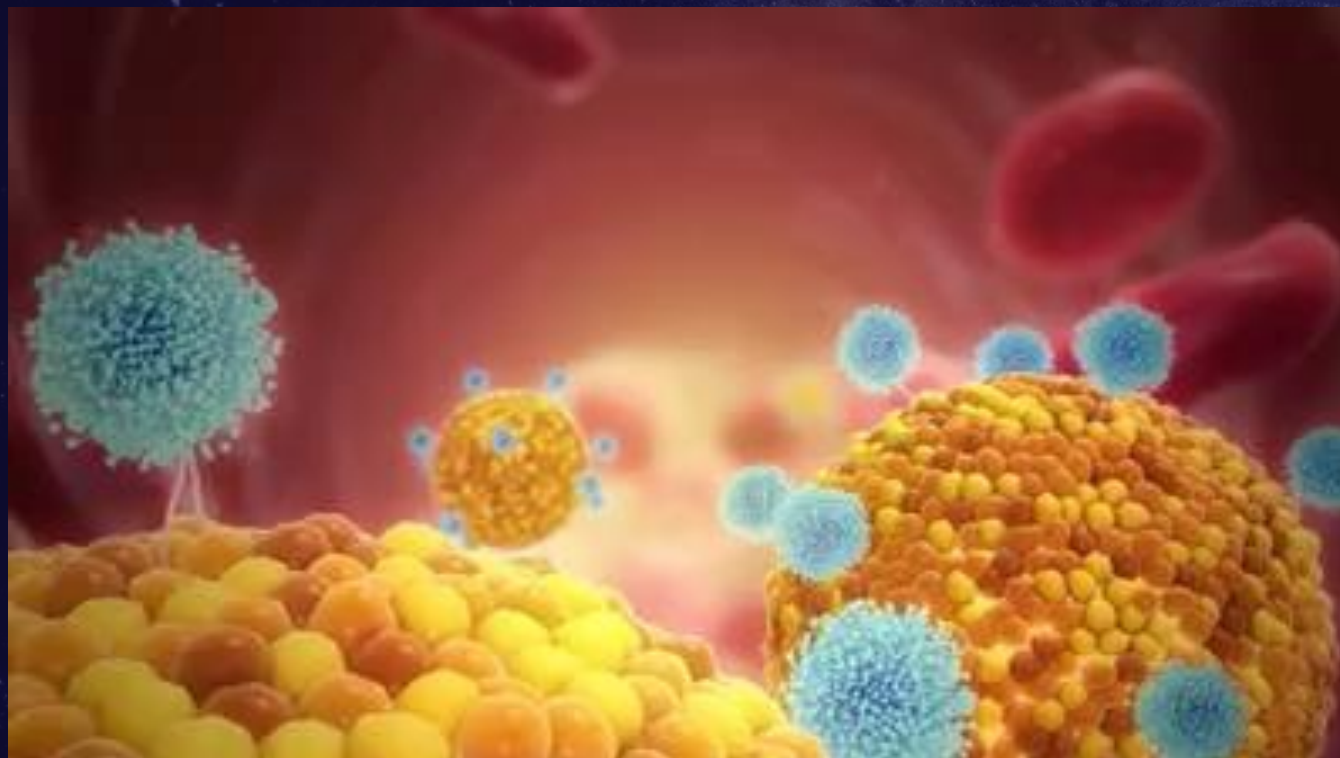
Orphan Drug Designation is received from U.S. FDA

LUNAR-CF to treat Cystic Fibrosis (CF); Funded by the

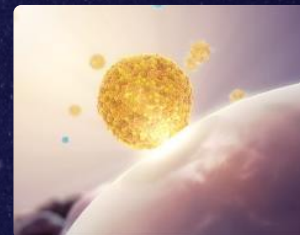
Class I CF market potential \$900M annual sales



LUNAR[®] Mechanism of Delivery



**LUNAR Associates
with Cell Membrane**



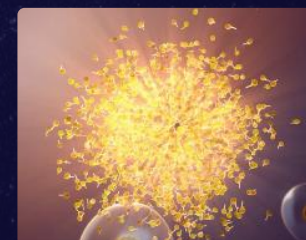
Enters Cell
Via Endocytosis

**Lipid Particle in
Endosome**



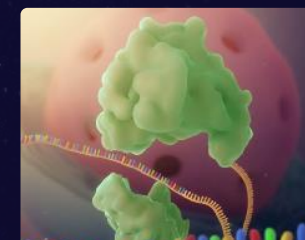
Increased Acidity as
Endosome Ages

**pH-Mediated
Disruption**







Rapid Biodegradation
of Vehicle

**RNA
in Cytosol**



RNA Processing
and Translation

Arcturus Platform: Enabling Genetic Medicines

Name	Partner	Indication	Arcturus Chemistry	Arcturus Delivery	mRNA	IND Date
LUNAR-HBV		Hepatitis B	RNA	LUNAR® Hepatocytes	ARCT	TBD
LUNAR-NASH		NASH	RNA	LUNAR® Stellate Cells	ARCT	TBD
LUNAR-GSD3		Glycogen Storage Disease Type III	mRNA	LUNAR® Hepatocytes	ARCT	2020
LUNAR-RARE		Undisclosed Rare Disease	mRNA	LUNAR® Hepatocytes	ARCT	TBD
LUNAR-RPL	Large Pharma	Infectious Disease Prophylactic Vaccines	SGL's Replicon RNA	LUNAR®	Undisclosed	TBD
LUNAR-AH	Large Animal Health Pharma	Infectious Disease Prophylactic Vaccines	SGL's Replicon RNA	LUNAR®	Undisclosed	TBD

- Greater than \$1 Billion in Potential Milestones & Royalties
- Enabling Different Types of RNA – Messenger RNA, Gene Editing RNA, Replicon RNA
- Multiple Cell Types Targeted
- LUNAR-GSD3 (UX053) is a licensed program, partnered with Ultragenyx – IND Target 2020

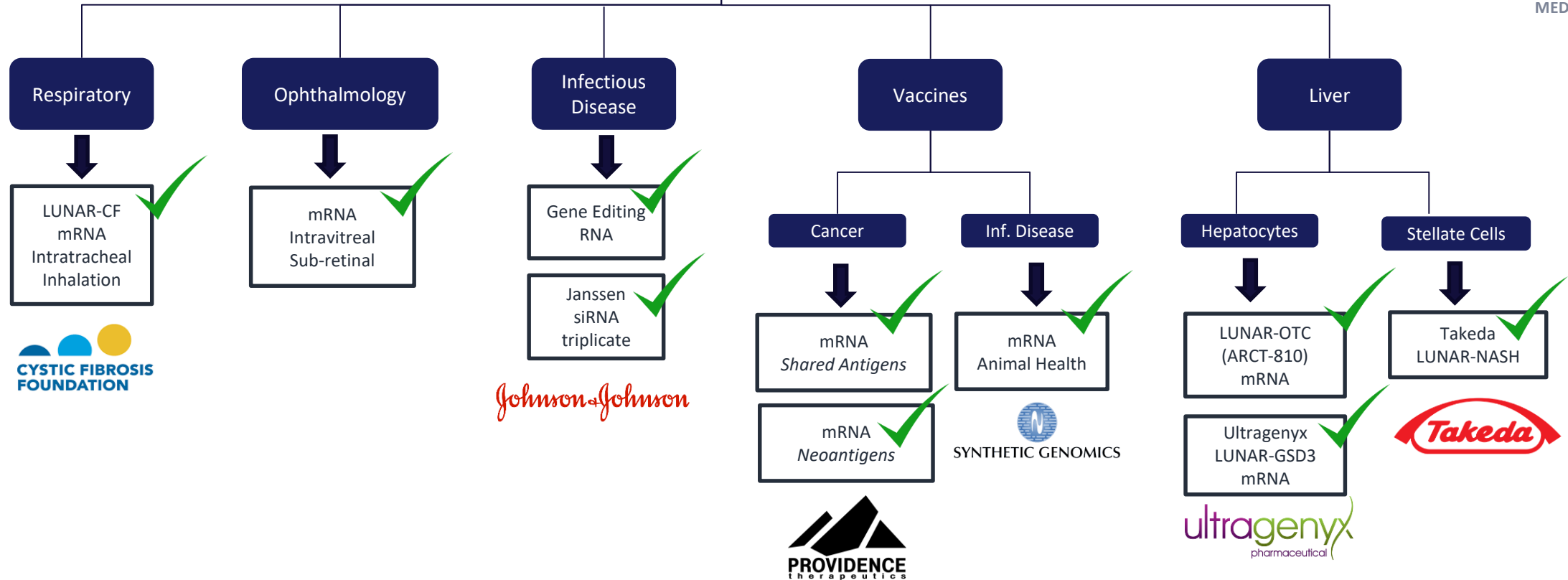


Arcturus Pipeline of mRNA Medicines

Name	Indication	IND Date	Route of Administration	Target Organ	Target Cells	Prevalence Worldwide
LUNAR-OTC (ARCT-810)	Ornithine Transcarbamylase (OTC) Deficiency	Q1 2020	Intravenous (i.v.)	Liver	Hepatocytes	> 10,000
LUNAR-CF	Cystic Fibrosis	H2 2020	Nebulized Aerosol to Lung	Lung	Bronchial Epithelial Cells	> 70,000
LUNAR-CV	Rare Cardiovascular Disease	Preclinical	Intravenous (i.v.)	Liver	Hepatocytes	Undisclosed
LUNAR-MD	Rare Metabolic Disease	Preclinical	Intravenous (i.v.)	Liver	Hepatocytes	Undisclosed

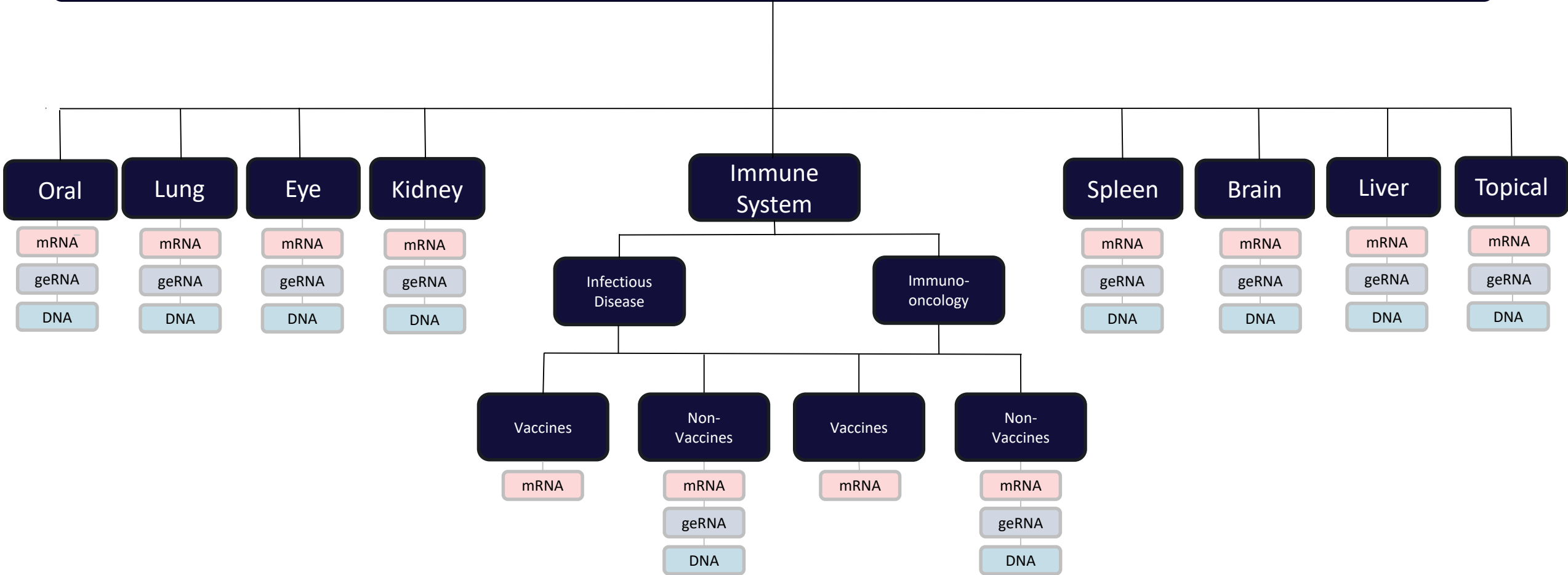
- Pipeline programs focus on messenger RNA (mRNA) drug products for rare diseases
- LUNAR-OTC (ARCT-810, intravenous mRNA medicine): Investigational New Drug (IND) Filing Target Q1 2020
- LUNAR-CF is funded by the Cystic Fibrosis (CF) Foundation – IND Target H2 2020
- LUNAR-CV and LUNAR-MD are preclinical programs

LUNAR® Platform Substantial Preclinical Proof-of-Concept Demonstrated



LUNAR® Platform Preclinical Proof-of-Concept Demonstrated in Hepatocytes, Liver Stellate Cells, Bronchial Epithelial Cells (Lung), Photoreceptors (Eye), Infectious Diseases, Cancer Vaccines

Target Opportunities for LUNAR® Delivery Platform Exceed \$100 Billion in Potential Value



OTC Deficiency Market Opportunity



Ornithine Transcarbamylase (OTC) Deficiency: The most common urea cycle disorder

- The urea cycle converts neurotoxic ammonia to water-soluble urea that can be excreted in urine
- Deficiency in OTC causes elevated blood ammonia, which can lead to neurological damage, coma, and death
- 10,000 worldwide prevalence



Unmet Medical Need

- Present standard of care involves a strict diet (low protein, high fluid intake) plus ammonia scavengers (sodium phenylbutyrate)
- Present standard of care does not effectively prevent spikes of ammonia.
- OTC Deficiency patients are typically referred for liver transplant.



LUNAR-OTC Aims to Restore Enzyme Function

- Expression of OTC enzyme in liver has potential to restore normal urea cycle activity to detoxify ammonia, preventing neurological damage and removing need for liver transplantation

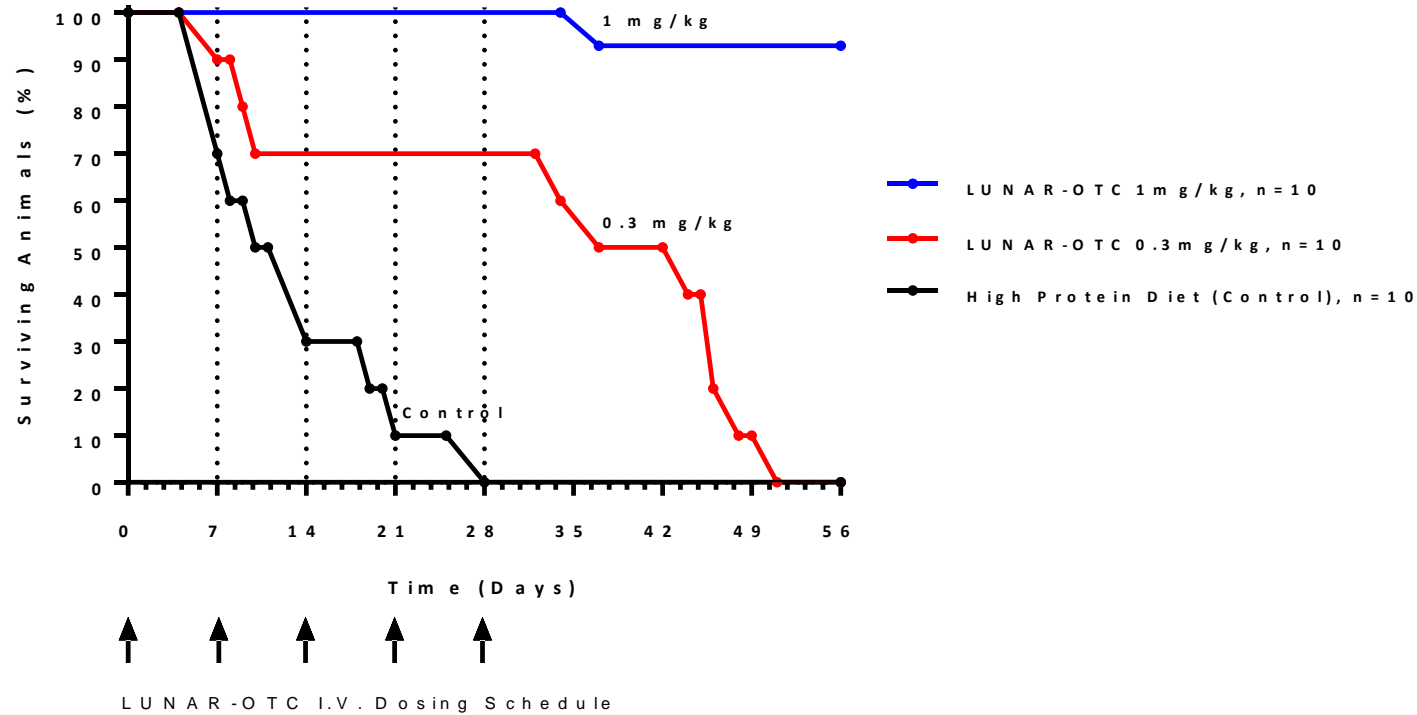
LUNAR[®]-OTC

Disease Normalization Following Single and Repeat Dosing in OTC Mouse Model



BUILDING INNOVATIVE
RNA MEDICINES

Survival of OTC-deficient Mice on High Protein Diet - Weekly LUNAR-OTC Treatment

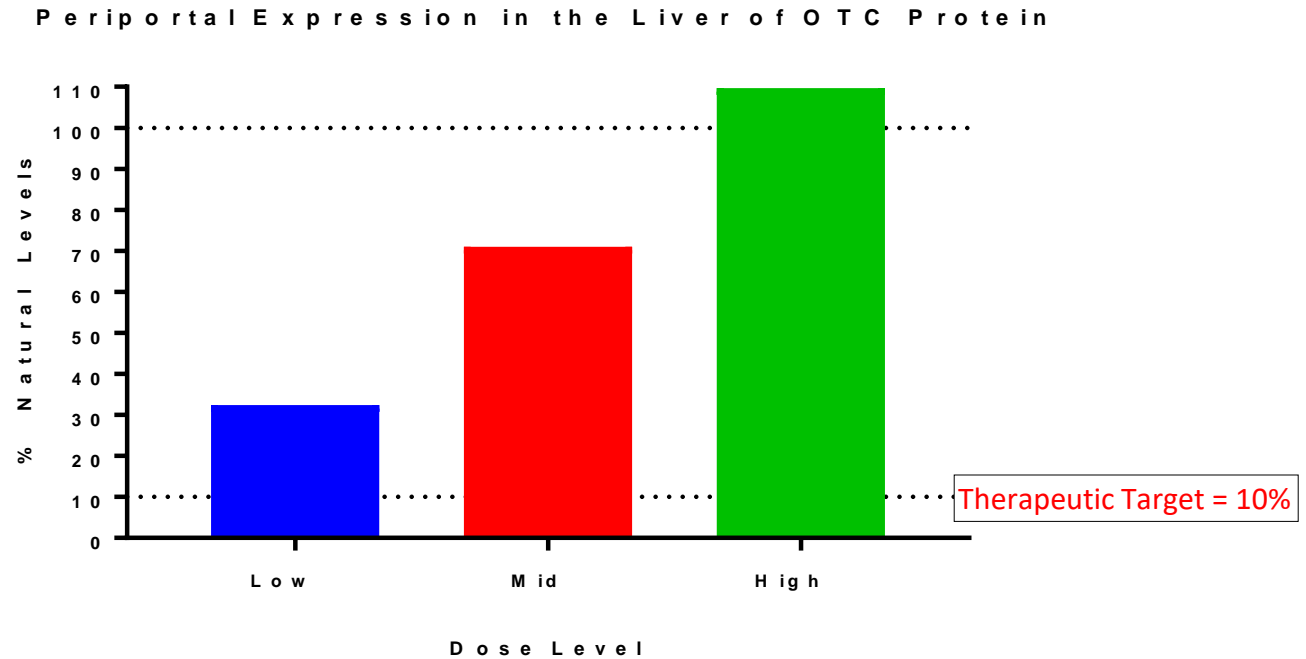


LUNAR-OTC



Exceeds Therapeutic Target of 10% Enzyme Replacement at all Doses in OTC-Deficient Mouse Model

- OTCD impacts ureagenesis (ammonia detoxification)
- The main site of ureagenesis is the periportal region of the liver*
- Establishing 10% of natural enzyme levels is expected to be therapeutically significant



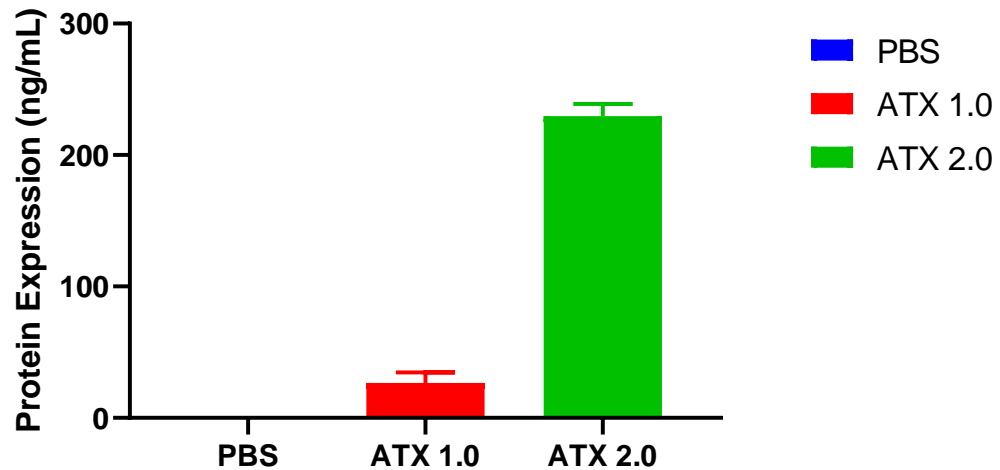
*Li, L. et al. PGC-1 α Promotes Ureagenesis in Mouse Periportal Hepatocytes through SIRT3 and SIRT5 in Response to Glucagon. Scientific Reports. 6:24156 | DOI: 10.1038/srep24156, April 2016

LUNAR-OTC treatment increases OTC expression in mouse periportal hepatocytes (main site of ureagenesis)

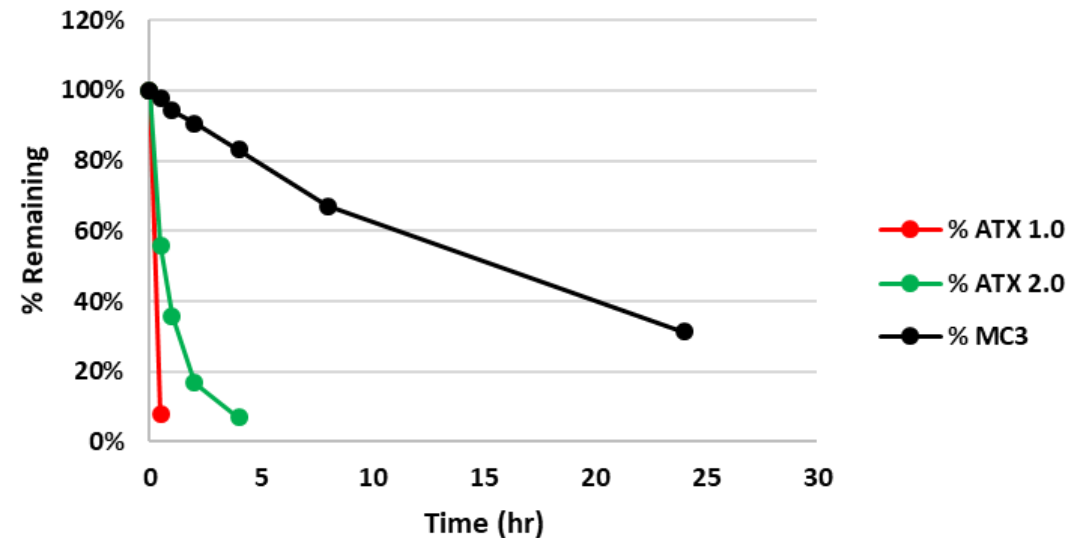
ATX Lipids are Effective and Degrade Rapidly

BUILDING INNOVATIVE
RNA MEDICINES

Protein Expression (*in vivo*)



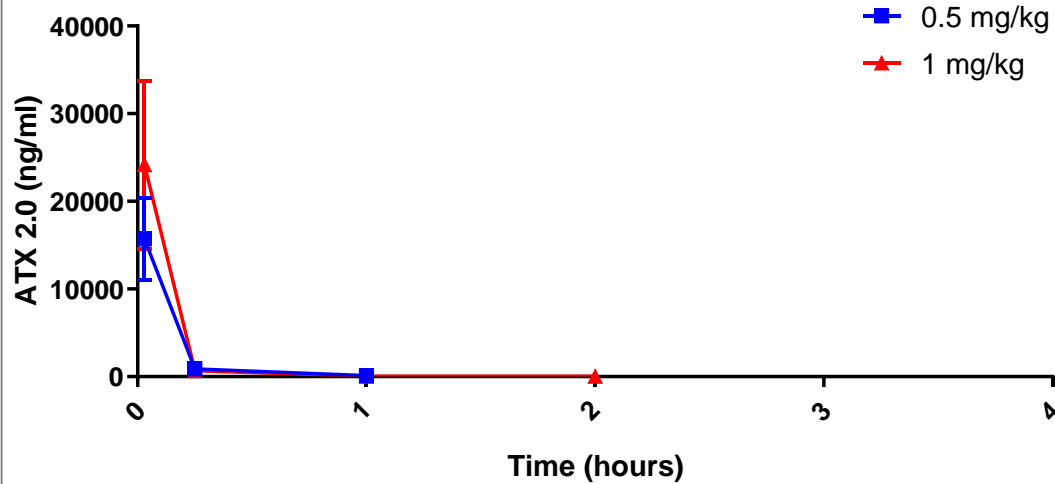
Esterase Catalyzed Degradation (*in vitro*)



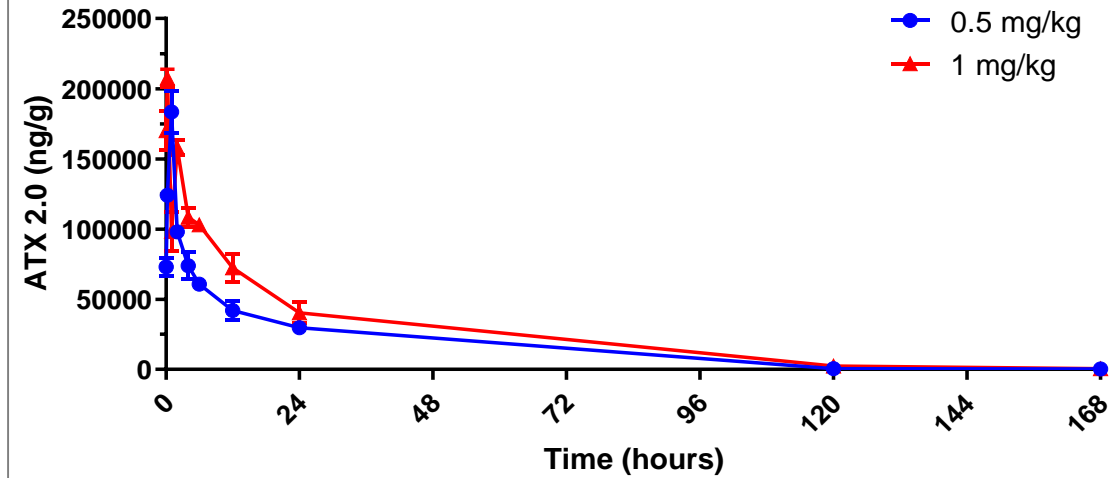
Next Generation ATX Lipids Retain Degradability & Improve Delivery Efficiency

ATX 2.0 Lipid Rapidly Clears *in vivo*

Plasma



Liver



- ATX Lipid (the major component in LUNAR® technology) is rapidly degraded *in vivo*
- ATX Lipid Half-Life in the Liver is Approximately 20 hours

Arcturus Safety Profile

External Validation

- Multiple strategic partnerships over many years confirms the positive safety profile of Arcturus LUNAR® and mRNA

Arcturus is committed to developing safe mRNA products

- 15 studies over several years with strategic partners

Top Safety Concern for RNA Medicines is Delivery

Arcturus LUNAR® Delivery Technology is well tolerated in non-human primates (NHPs)

- ✓ @ 15 mg/kg single dose of non-coding RNA
- ✓ @ 3 mg/kg x eight (8) weekly doses of non-coding RNA (total of 24 mg/kg over 2 months)

Arcturus mRNA chemistry shows promising efficacy and tolerability data

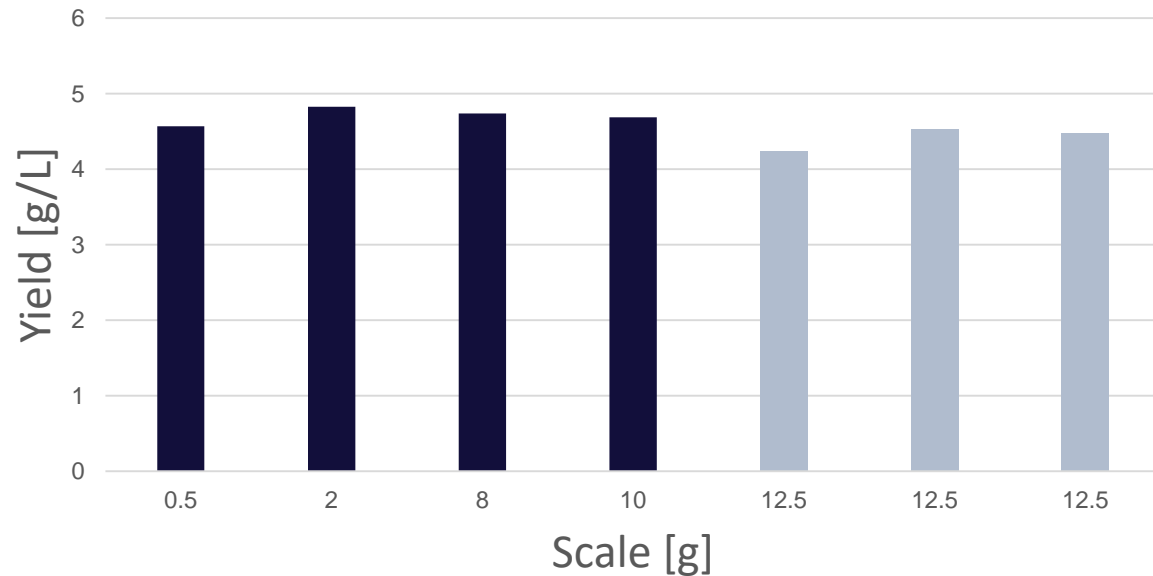
- Efficacy of OTC mRNA in mouse model @ 0.1 – 1 mg/kg
- Well tolerated in mouse @ 7 mg/kg single dose

IND-enabling toxicology studies at higher doses will provide Maximum Tolerated Dose (MTD)

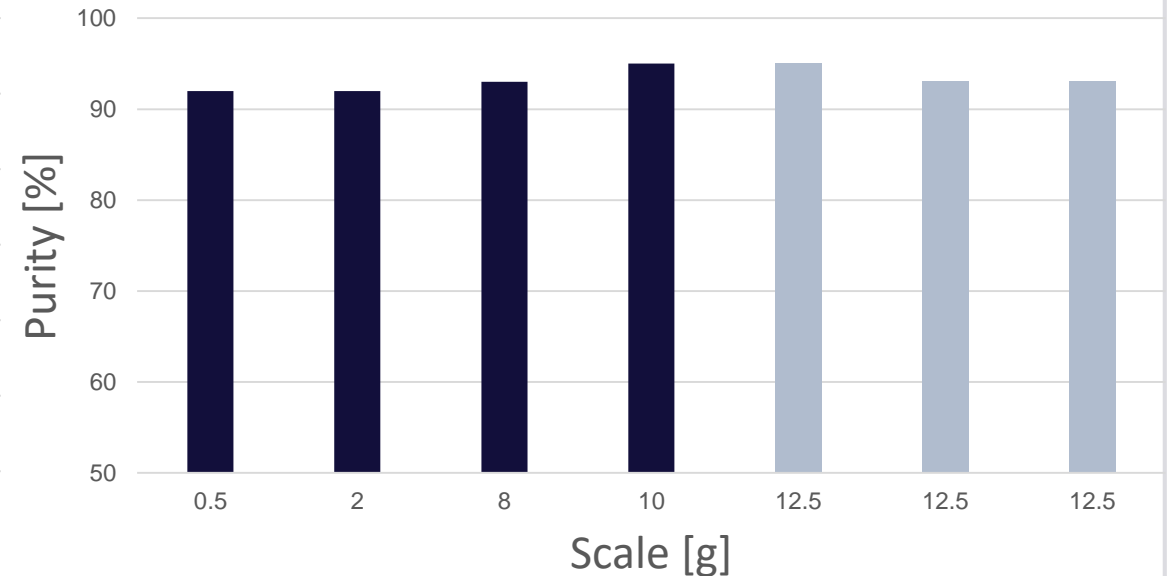
mRNA Drug Substance



RNA Yield



RNA Purity



- Lots produced at Arcturus
- Lots produced at CMO as part of recent GMP campaign

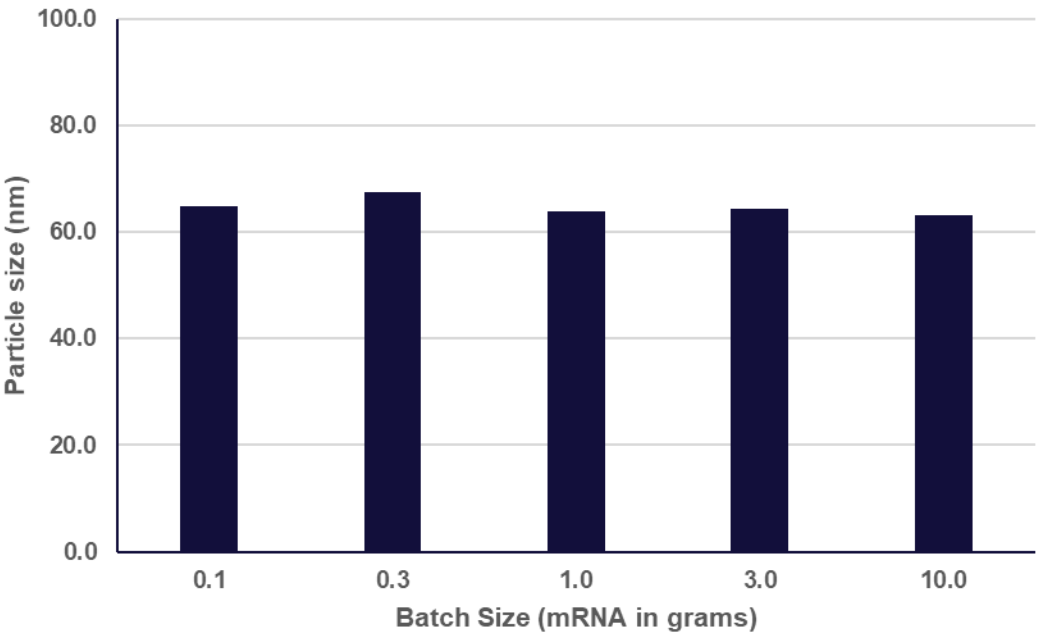
Three 12.5 g lots produced in recent campaign are of equivalent quality and yield

LUNAR[®]-mRNA Drug Product

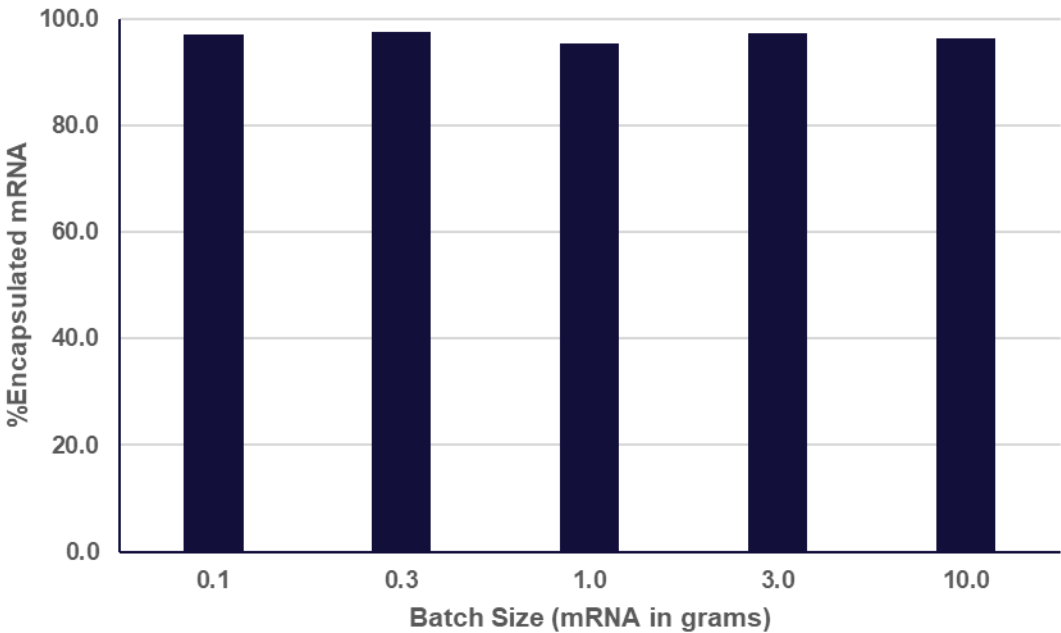


BUILDING INNOVATIVE
RNA MEDICINES

Particle Size



%Encapsulated mRNA



- Scalability of Drug Product demonstrated from milligram to multigram scale with yields $\geq 85\%$
- Multiple batches (10g) of LUNAR[®]-OTC mRNA manufactured

Cystic Fibrosis Market Opportunity



Cystic Fibrosis: The most common rare disease in the United States

- Caused by genetic mutations in the CFTR gene, resulting in aberrant flux of ions in and out of cells, causing thick mucus buildup in lung airways
- Chronic airway obstruction leads to infection and inflammation, which causes permanent tissue scarring and respiratory failure
- 70,000 worldwide prevalence



Unmet Medical Need

- No CFTR functional corrector is approved for treatment of all patients
- Present standard of care does not effectively prevent long-term effects of mucus accumulation. CF patients with late-stage loss of respiratory function require lung transplant



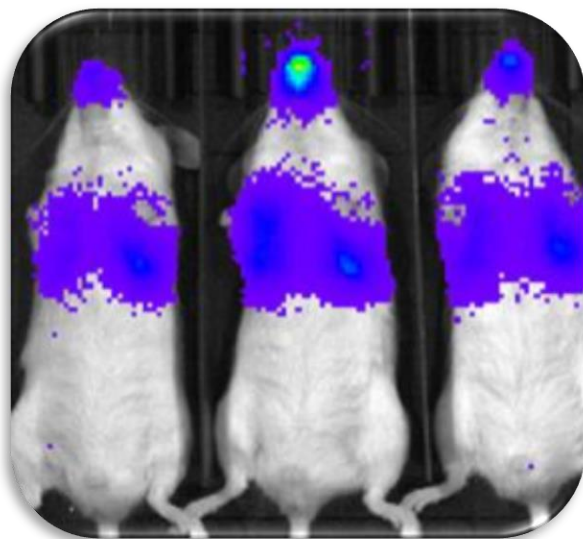
LUNAR-CF Aims to Restore CFTR Function

- An mRNA replacement therapy has the potential to deliver a new copy of CFTR into the lungs of CF-patients, independent of any genotype
- A functional CFTR protein can restore chloride channel efflux in the airways, reducing mucus accumulation, tissue scarring and minimizing the progressive respiratory dysfunction observed in CF-patients

LUNAR[®] Targeting Lung

BUILDING INNOVATIVE
RNA MEDICINES

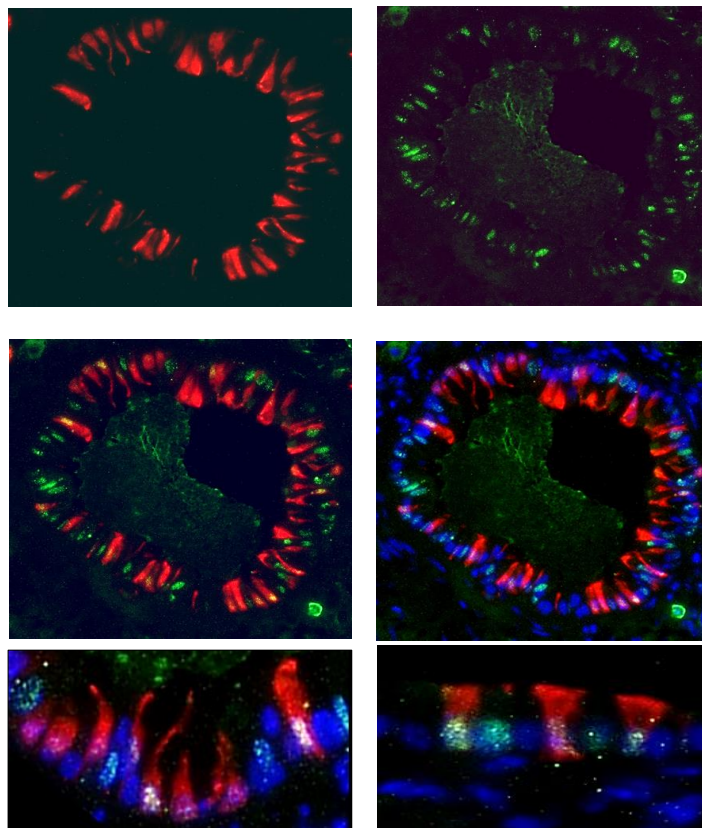
Nebulization



LUNAR + Luciferase mRNA

LUNAR[®] Delivery into Bronchial Epithelial Cells (BECs)

TdTomato / FoxJ1 / Dapi



Functional Nebulized Delivery of LUNAR + mRNA into Lung Epithelial Cells

Drug Substance: mRNA Design

BUILDING INNOVATIVE
RNA MEDICINES**Arcturus' proprietary mRNA optimization platform****Sustained hEPO activity in NHPs upon repeat dosing**

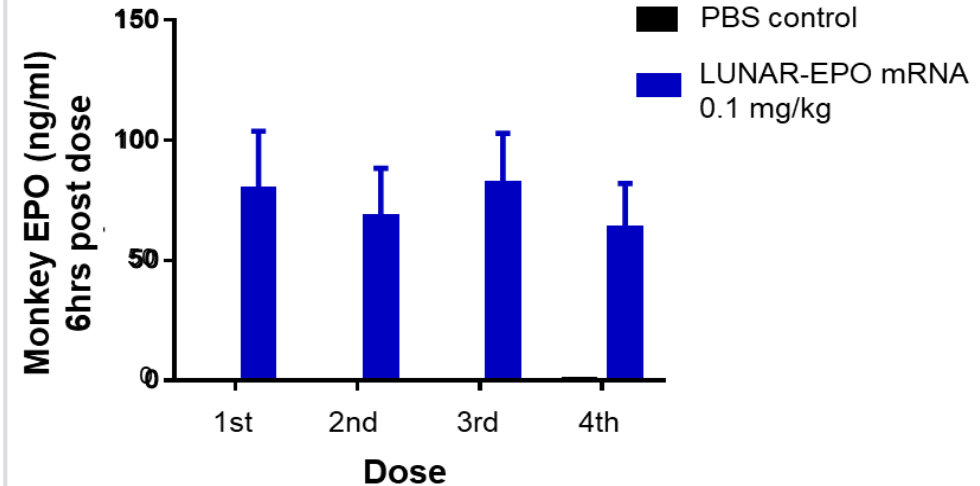
Optimize
mRNA sequence
Chemistry
Process



Improve
Protein Expression
Duration
Functional Activity



Weekly Dosing in Non-Human Primates

**Proprietary mRNA Optimization Platform Demonstrates Sustained Activity Upon Repeat Dosing in NHPs**

Arcturus mRNA Manufacturing

BUILDING INNOVATIVE
RNA MEDICINES

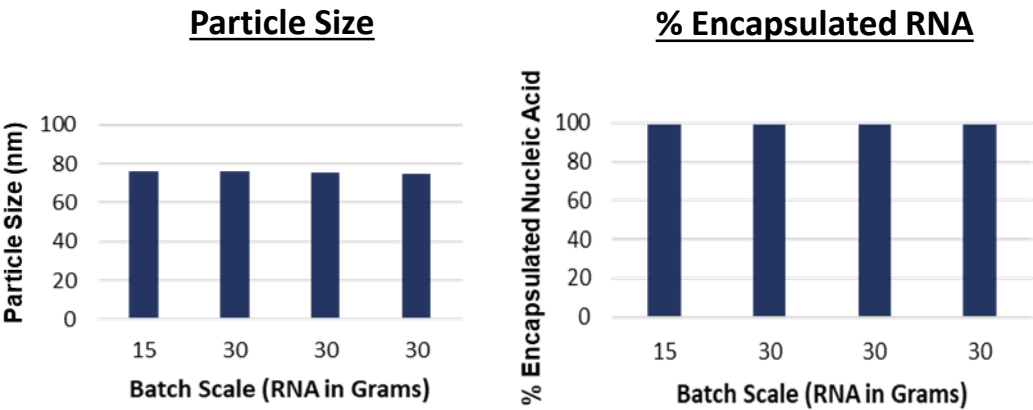
Features	Benefits
Optimized IVT Method	Reduced Cost; Higher Purity
Improved Capping Reaction	Reduced Cost of Goods
Proprietary Purification Process	Higher Purity in a Shorter Time
Efficient	Entire Process Less Than One Week
Scalable to > 1Kg	Access Large Patient Populations
Adaptable	Can Utilize a Variety of Modifications

Arcturus' Internal mRNA Production: Up to 30 g in Less Than One Week

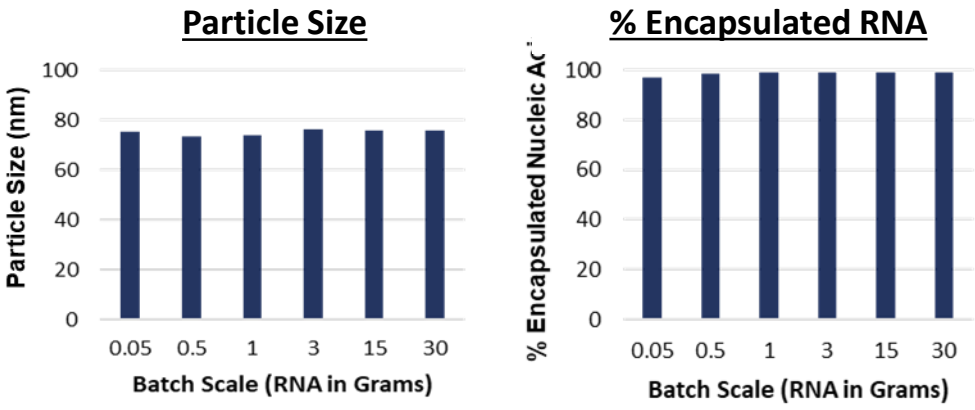
Drug Product: LUNAR[®] Formulation & Production



LUNAR[®] Reproducibility



LUNAR[®] Scalability



- Proprietary, Reproducible & Scalable Drug Product Production Process
- LUNAR-Formulated mRNA Successfully Scaled From Milligram to Multigram Batch Sizes

ARCTURUS THERAPEUTICS

Management Team



BUILDING INNOVATIVE
RNA MEDICINES



Joseph E. Payne, MSc
Founder, President & CEO



Dr. Pad Chivukula
Founder, CSO & COO



Andrew Sassine, MBA
CFO



Kevin Skol, MBA
*Sr. VP of Business
Development & Alliance
Management*



Dr. Suezanne Parker
VP of Translational Biology



