13 August 2024

Syncona Limited

First Quarter Update

Strong clinical execution across a maturing portfolio that continues to attract significant external capital

Syncona Ltd, (the "Company"), a leading life science investor focused on creating, building and scaling a portfolio of global leaders in life science, today announces its quarterly update covering the period from 01 April to 30 June 2024.

Chris Hollowood, CEO of Syncona Investment Management Limited, said: "Our companies continue to execute on their clinical strategies and have attracted substantial investment from external partners in the quarter, with Beacon and Forcefield raising capital from high-quality investors. Despite both financings contributing positively to performance, these uplifts have been offset by declines in value from our quoted holdings, which have weighed on the overall life science portfolio return.

With Anaveon entering the clinic we now have six clinical-stage companies in our strategic portfolio of 13 companies. We are pleased with the positive momentum across the portfolio and are particularly encouraged to see Beacon treat the first patient in its Phase II/III registrational trial in XLRP, from which data would form the basis of a potential regulatory filing. The work we have undertaken to rebalance, diversify and de-risk the portfolio means a significant amount of value is now in clinical-stage assets, and we continue to focus on allocating capital to these opportunities and those approaching clinical entry. All of this provides us with a platform for future growth and we are excited about the opportunity ahead, with Syncona well placed to deliver long-term returns for our shareholders and transformational treatments for patients."

Financial performance in the quarter

- Net assets of £1,160.4 million (31 March 2024: £1,238.9 million), 179.4p per share (31 March 2024: 188.7p per share), a NAV per share return of (4.9)%
    - Performance predominantly driven by a decrease in Autolus' share price, partially offset by valuation uplifts in Beacon and Forcefield, alongside a positive return from the capital pool and accretive share buybacks
- Life science portfolio valued at £739.0 million (31 March 2024: £786.1 million), a return of (8.3)%
- Capital pool of £421.4 million at 30 June 2024 (31 March 2024: £452.8 million)
    - £23.3 million deployed into the life science portfolio
- £11.0 million invested into the share buyback programme in the quarter
    - 9.6 million shares repurchased in the share buyback during the quarter at an average 38.1% discount to NAV resulting in an accretion of 0.94p to NAV per share[1]

Maturing strategic portfolio[2] continues to attract significant external investment

- Roche Venture Fund committed £10.0 million to **Forcefield's** Series A financing, alongside Syncona's commitment of £20.0 million
    - Syncona's holding was written up by £2.4 million (0.38p per share); a 37.6 per cent uplift to the 31 March 2024 valuation of the company
- Post-period end **Beacon** raised $170 million in a Series B financing, with Syncona committing $42.5 million (£33.5 million) in a round led by Forbion, alongside a leading global syndicate

[1] Since the period end, as of 9 August 2024, a further £4.1 million of shares have been bought back at an average discount of 33.2%
[2] Portfolio of core life science companies where Syncona has significant shareholdings.

    - Syncona's holding was written up by £14.3 million (2.2p per share); a 17.9 per cent uplift to the 31 March 2024 valuation of the company[3]
- Completion of the sale of **Clade** to Century Therapeutics for up to $45.0 million (£35.9 million), with upfront consideration to Syncona of $9.3 million (£7.4 million)

Increased allocation to share buyback programme

- The Board of Syncona continues to view the current share price as a compelling investment opportunity given the potential value within our portfolio
- As announced in our FY2023/4 Annual Results in June, a further £20.0 million has been allocated to the share buyback programme taking the total allocation to £60.0 million
- Since the commencement of the share buyback, a total of £35.4 million has been deployed to repurchase a total of 29.4 million shares, at an average discount of 33.4%[4]

Strong clinical execution from our rebalanced and diversified portfolio, where 72% of strategic portfolio value is in our six clinical-stage companies

Moving towards being on the market

- **Autolus** presented positive longer-term follow-up and additional data from the pivotal Phase Ib/II FELIX study of obe-cel in relapsed/refractory (r/r) adult B-cell acute lymphoblastic leukaemia (ALL) at the American Society of Clinical Oncology (ASCO) Annual Meeting. The company also had its Marketing Authorisation Application (MAA) accepted by the European Medicines Agency (EMA) for obe-cel
- **Beacon** treated its first patient in the Phase II/III registrational VISTA trial[5], which will further assess the effect of AGTC-501 on vision and other symptoms of X-Linked Retinitis Pigmentosa (XLRP)

Moving towards publishing definitive data

- **Resolution** presented further data at the EASL Congress from its academic study (MATCH II) which supports the significant potential of macrophage cell therapy treatment for end-stage liver disease. The company also received approval from the UK Medicines and Healthcare products Regulatory Agency (MHRA) to commence the Phase I/II EMERALD study for its lead candidate RTX001, with this study expected to initiate in H2 CY2024
- Post-period end **Spur** completed enrolment in its Phase I/II trial in Gaucher disease and selected a single low dose infusion of FLT201 for its Phase III trial, expected to start in CY2025
    - The dose selection was based on encouraging data which demonstrated compelling efficacy signals, alongside a favourable safety and tolerability profile
    - Spur also published data from its Parkinson's disease research programme, the company's first pipeline expansion into more prevalent chronic debilitating diseases
- Post-period end **iOnctura** expanded its clinical trial programme for its lead pipeline asset, roginolisib, to non-small cell lung cancer, via clinical collaboration agreements with the ETOP IBCSG Partners Foundation and GSK

Moving towards publishing emerging efficacy data

- **Quell** presented positive safety data from is study of QEL-001 in liver transplant patients and is advancing the therapy's development into the efficacy cohort of the LIBERATE Phase I/II trial
- Post-period end **Anaveon** entered the clinic with its Phase I/II trial of ANV600, the company's next generation compound, in line with prior guidance

Outlook

[3] FX rate taken as at 30 June 2024
[4] As at 9 August 2024
[5] The UK's MHRA and the EU's EMA have accepted the VISTA study design as being pivotal

Capital deployment

Syncona continues to anticipate that deployment into the portfolio and pipeline in the financial year to 31 March 2025 will be £150-200 million. This excludes the capital allocated to the share buyback programme.

Upcoming capital access milestones and potential key value inflection points

As we build and scale our companies, there are opportunities to deliver milestones that drive access to capital (capital access milestones) and milestones that we believe have the potential to drive significant NAV growth (key value inflection points[6]).

- 10 capital access milestones across the portfolio by the end of CY2026, with eight expected by the end of CY2025
- Eight key value inflection points by the end of CY2026, each of which has the potential to drive significant NAV growth, including two before the end of CY2024. Syncona is funded to deliver on all of the portfolio's potential key value inflection points
- These capital access milestones and key value inflection points are not without risk

Updates to milestones since FY2023/4 Annual Results

- Anaveon initiated its Phase I/II trial of ANV600, a potential capital access milestone
- There have been no other milestone changes since the Annual Results announcement

Strategic life science portfolio company	**Next expected capital access milestones**	**Syncona team view of potential key value inflection points**
Moving towards being on the market		
Autolus	H2 CY2024 - Initial data from Phase I trial in SLE H2 CY2024 - Commence the US commercial launch of obe-cel, dependent on anticipated FDA regulatory approval in November	CY2025 - Commercial traction following US launch of obe-cel, dependent on FDA regulatory approval
Beacon	CY2025 - Initial data from its Phase II DAWN trial in XLRP	H2 CY2024 - 24-month data from its Phase II SKYLINE trial in XLRP CY2026 - Data readout from its Phase II/III registrational VISTA trial in XLRP

[6] Key value inflection points across the portfolio also have the potential to enable capital access

Moving towards publishing definitive data		
iOnctura	CY2024 - Initiation of Phase II trial in uveal melanoma	CY2026 - Data readout from its Phase II trial in uveal melanoma
Spur	H2 CY2024 - Select development candidate for GBA1 Parkinson's disease programme H1 CY2025 - Initial safety readout in higher dose cohort from its Phase I/II trial in AMN CY2025 - Initiation of Phase III trial in Gaucher disease	H2 CY2024 - Data readout from its Phase I/II trial in Gaucher disease
Resolution	H2 CY2024 - Initiation of Phase I/II trial in end stage liver disease	CY2026 - Data readout from its Phase I/II trial in end stage liver disease
Moving towards publishing emerging efficacy data		
Quell		CY2025 - Data readout from its Phase I/II trial in liver transplantation
Anaveon		CY2026 - Data readout from its Phase I/II trial of its next generation asset ANV600
Purespring	CY2026 - Initiation of Phase I/II trial in complement mediated kidney disease	
OMass	CY2026 - Initiation of Phase I trial of its MC2 programme	

Valuation movements in the quarter

Company	31 Mar 2024	Net investment in the period	Valuation change	FX movement	30 Jun 2024	% of Group NAV	Valuation basis[7], [8], [9]	Fully diluted owner-ship stake	Focus area
	(£m)	(£m)	(£m)	(£m)	(£m)			(%)	
Strategic portfolio companies									
Late-stage clinical									
Beacon	80.3	5.3	14.3	-	99.9	8.6%	PRI	65.3%	Gene therapy
Autolus	169.5	-	(76.7)	(0.5)	92.3	8.0%	Quoted	12.6%	Cell therapy
Clinical									
Spur	135.6	0.8	0.4	-	136.8	11.8%	Cost	78.1%	Gene therapy
Quell	84.7	-	-	(0.1)	84.6	7.3%	PRI	33.7%	Cell therapy
Anaveon	35.7	-	-	0.1	35.8	3.1%	PRI	36.9%	Biologics
iOnctura	25.6	-	-	(0.2)	25.4	2.2%	Cost	23.0%	Small molecules
Pre-clinical									
Resolution	50.0	-	0.2	-	50.2	4.3%	Cost	81.6%	Cell therapy
Purespring	45.3	-	0.2	-	45.5	3.9%	Cost	77.1%	Gene therapy
OMass	43.7	-	-	-	43.7	3.8%	PRI	32.7%	Small molecules
Yellowstone	1.0	15.5	-	-	16.5	1.4%	Cost	57.7%	Biologics
Kesmalea	12.0	-	-	-	12.0	1.0%	Cost	62.2%	Small molecules
Forcefield	6.5	1.7	2.4	-	10.6	0.9%	PRI	62.6%	Biologics
Mosaic	7.3	-	-	-	7.3	0.6%	Cost	52.4%	Small molecules
Portfolio milestones and deferred consideration									
Beacon deferred consideration	14.4	-	0.4	-	14.8	1.3%	DCF	-	Gene therapy
Neogene milestone payment	2.2	-	0.1	-	2.3	0.2%	DCF	-	Cell therapy

[7] Primary input to fair value
[8] The basis of valuation is stated to be “Cost”, this means the primary input to fair value is capital invested (cost) which is then calibrated in accordance with our Valuation Policy
[9] The basis of valuation is stated to be “PRI”, this means the primary input to fair value is price of recent investment which is then calibrated in accordance with our Valuation Policy

Clade milestone payment	0.0	0.7	-	-	0.7	0.1%	DCF	-	Cell therapy
Syncona investments									
CRT Pioneer Fund	33.9	(0.9)	-	-	33.0	2.8%	Adj Third Party	64.1%	Oncology
Biomodal	18.0	-	-	-	18.0	1.6%	PRI	5.5%	Epigenetics
Achilles	11.0	-	(3.8)	(0.1)	7.1	0.6%	Quoted	24.5%	Cell therapy
Century[10]	0.0	4.3	(1.8)	-	2.5	0.2%	Quoted	1.4%	Cell therapy
Clade	9.4	(9.4)	-	-	0.0	0.0%	Sold	-	Cell therapy
Total Life Science Portfolio	**786.1**	**18.0**	**(64.3)**	**(0.8)**	**739.0**	**63.7%**			
Capital pool	**452.8**				**421.4**	**36.3%**			
TOTAL	**1,238.9**				**1,160.4**	**100%**			

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About Syncona

Syncona's purpose is to invest to extend and enhance human life. We do this by creating, building and scaling companies to deliver transformational treatments to patients in areas of high unmet need.

We aim to build and maintain a diversified portfolio of 20-25 globally leading life science businesses, across development stage, modality and therapeutic area, for the benefit of all our stakeholders. We focus on developing treatments that deliver patient impact by working in close partnership with world-class academic founders and experienced management teams. Our balance sheet underpins our strategy, enabling us to take a long-term view as we look to improve the lives of patients with no or poor treatment options, build sustainable life science companies and deliver strong risk-adjusted returns to shareholders.

Forward-looking statements – this announcement contains certain forward-looking statements with respect to the portfolio of investments of Syncona Limited. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. In particular, many companies in the Syncona Limited portfolio are conducting scientific research and

[10] Syncona received shares in Century as part of the agreement to acquire Clade

clinical trials where the outcome is inherently uncertain and there is significant risk of negative results or adverse events arising. In addition, many companies in the Syncona Limited portfolio have yet to commercialise a product and their ability to do so may be affected by operational, commercial and other risks.

Syncona Limited seeks to achieve returns over the long term. Investors should seek to ensure they understand the risks and opportunities of an investment in Syncona Limited, including the information in our published documentation, before investing.