20 June 2024

Syncona Limited

Full Year Results for the 12 months ended 31 March 2024

Proactive management to rebalance the portfolio over the last 18 months, with capital prioritised towards our most promising companies and assets, providing a platform for future growth

Investment in three highly innovative new portfolio companies, including one at clinical stage

Portfolio diversified across therapeutic area and modality, and weighted towards clinical and late-stage clinical companies

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 Annual Results for the 12 months ended 31 March 2024.

Chris Hollowood, CEO of Syncona Investment Management Limited, said: "During the year, we have had a resolute focus on proactively managing our portfolio and a rigorous approach to capital allocation to maximise value in challenging market conditions. Against this backdrop, we have delivered a resilient financial performance, underpinned by strong execution across the portfolio. In parallel we have added three exciting and highly innovative new companies to the portfolio that can further drive medium and long-term growth.

In November 2022, we set out 10-year targets and our ambition to organically grow net assets to £5 billion. Since then, we have made significant progress in rebalancing the portfolio to provide a platform for future growth. Our maturing strategic portfolio of 13 companies expects to deliver eight key value inflection points with the potential to drive significant NAV growth by the end of 2026, including two in the next six months.

We are excited about the opportunity ahead. We continue to see compelling value in our shares and, having allocated £40 million to the share buyback in the year, have today allocated a further £20 million to the programme. We remain focused on driving NAV growth for shareholders and delivering transformational impact for patients."

Financial performance

- Net assets of £1,238.9 million (31 March 2023: £1,254.7 million), 188.7p[1] per share (31 March 2023: 186.5p per share), a NAV per share return of 1.2%[2] in the year (31 March 2023: (4.1)%):
    - Positive returns from our life science portfolio and capital pool, enhanced by accretive share buybacks
- Life science portfolio valued at £786.1 million[3] (31 March 2023: £604.6 million), a return of 2.2%[4] in the year (31 March 2023: (14.3)%), with uplifts from Autolus offset by partial write-downs of Anaveon and Clade and the write-off of Gyroscope milestones payments
- Capital pool[5] of £452.8 million at 31 March 2024 (31 March 2023: £650.1 million)
- £20.2 million out of announced £40.0 million invested into the share buyback:
    - 16.5 million shares repurchased at an average 35.1% discount to NAV resulting in an accretion of 1.61p to NAV per share[6]
- £172.2 million deployed[7] into the life science portfolio, within our guidance for the year

[1] Fully diluted, please refer to note 14 in the financial statements. Alternative performance measure, please refer to glossary
[2] Alternative performance measure, please refer to glossary
[3] See footnote 2
[4] See footnote 2
[5] See footnote 2
[6] Since the period end, as of 19 June 2024, a further £10.0 million of shares have been bought back at an average discount of 38.8%
[7] See footnote 2

Proactive management of a maturing strategic portfolio[8]

- Proactive management to ensure that our companies have a path forward to reach late-stage clinical development, where we believe significant value can be accessed
- Ongoing focus on widening financing syndicates to provide broader financial scale:
    - Autolus completed a public offering of $350 million
    - Supporting portfolio companies to bring in aligned co-investors to expand syndicates
- Portfolio company budgets streamlined and capital deployment focused on most promising assets:
    - Anaveon took the strategic decision to focus on its next-generation compound, ANV600
- Explored strategic transactions and creative financing solutions:
    - Autolus signed a strategic collaboration and received an equity investment from BioNTech for upfront aggregate proceeds of $250 million
    - Quell entered into a cell therapy collaboration with AstraZeneca focused on autoimmune diseases, for which it received $85 million upfront, in a deal potentially worth over $2 billion[9]
    - Beacon announced the sale of its manufacturing facility post-period end to Ascend Advanced Therapeutics; transaction includes a long-term partnership with Beacon to continue to manufacture its products
- Portfolio company consolidations and M&A:
    - Market conditions presented a differentiated opportunity to take Freeline private, after which the company acquired SwanBio to create Spur, a new company with a consolidated adeno-associated virus (AAV) gene therapy pipeline
    - Post-period end an agreement was reached for Clade to be acquired by Century Therapeutics for up to $45.0 million (£35.9 million), with upfront consideration to Syncona of $9.3 million (£7.4 million)

Continued focus on rigorous capital allocation to maximise value

- Focus on allocating capital to clinical opportunities and assets that are approaching clinical entry, with 86.1% of capital deployed towards these assets in the period
- Syncona's view is that the current share price represents a compelling investment opportunity given the potential value within our portfolio
- As part of Syncona's focus on, and review of, capital allocation in the year, the Board took the decision to launch a share buyback programme of up to £40.0 million in September 2023:
    - Post-period end a further £20.0 million has been allocated to the share buyback programme

71.1% of strategic portfolio value in clinical-stage companies

- Significant work to rebalance the portfolio, prioritising capital towards the most promising companies and assets, and providing a platform for future growth
- Maturing strategic portfolio of 13 companies, with five clinical-stage companies of which two are late-stage
- Strong clinical, financial and operational execution across the portfolio, including nine financings and strategic transactions, 15 clinical data readouts and multiple senior leadership appointments

Investment in three highly innovative new companies to underpin medium and long-term growth, including one clinical-stage asset

- Invested €30 million (£25.7 million) as part of a Series B financing of iOnctura, a clinical-stage oncology company developing innovative therapies for neglected and hard-to-treat cancers

[8] Portfolio of core life science companies where Syncona has significant shareholdings. Please refer to glossary
[9] Contingent on successfully reaching development and commercial milestones, plus tiered royalties

- Committed £16.5 million in a Series A financing of Yellowstone, a new biologics company which is pioneering soluble bispecific T-cell receptor (TCR)-based therapies to unlock a new class of cancer therapeutics
- Syncona committed to a Series A financing in Forcefield, a company we had previously seed funded, which is a pioneer of best-in-class therapeutics aiming to revolutionise the treatment of heart attacks via protection of cardiomyocytes. Alongside our £20.0 million commitment to Forcefield's Series A, post-period end Roche Venture Fund committed a further £10.0 million to the financing valuing Syncona's holding in Forcefield at £8.9 million, a 38% uplift to the 31 March 2024 value[10]

A platform to respond to improving market conditions

- Expanded senior team and embedded a new operating model to better support the delivery of Syncona's ambitious plans to achieve £5 billion of NAV by 2032:
    - Roel Bulthuis joined as Managing Partner and Head of Investments
    - John Tsai, previously Chief Medical Officer (CMO) at Novartis, joined as Executive Partner
    - Kate Butler, former Group Finance Director of SIML, took up the role of Chief Financial Officer (CFO), with former CFO, Rolf Soderstrom moving to the role of Executive Partner
    - Post-period end Harriet Gower Isaac was appointed Head of People

Outlook

Market conditions have been challenging. However, value is returning to late-stage clinical assets and financing conditions are beginning to improve in the private markets. We continue to proactively manage our maturing portfolio to drive our companies to late-stage clinical development and are resolutely focused on delivering the 11 capital access milestones and eight key value inflection points that are mapped against our NAV Growth Framework. We have a strong pipeline of new investment opportunities based on highly innovative science, across therapeutic area, modality and stage of development, from company creation to clinical stage.

Syncona is well positioned with a well-funded portfolio, strong balance sheet, newly embedded operating model, experienced team and clear strategy to take advantage of market conditions as they improve. We have rebalanced the portfolio, prioritising capital towards the most promising companies and assets, and have preserved value in a challenging market. We are excited about the opportunity ahead to achieve our 2032 targets. The financial year has started with positive momentum and we remain focused on driving NAV growth for shareholders whilst delivering transformational impact for patients.

Capital deployment

Syncona anticipates that deployment into the portfolio and pipeline in the financial year to 31 March 2025 will be £150-200 million.

Upcoming capital access milestones and potential key value inflection points[11]

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[12]).

[10] The change in valuation in Forcefield is not included in the 31 March 2024 valuation of the company
[11] The evolved terminology "potential key value inflection points" refers to the same portfolio milestones that were defined as "potential value inflection points" at our FY2023/4 Interim Results in November 2023. This terminology reflects their role in potentially driving significant NAV growth
[12] Key value inflection points across the portfolio also have the potential to enable capital access

- 11 capital access milestones across the portfolio by the end of CY2026, with nine expected by the end of CY2025
- Eight key value inflection points, each of which has the potential to drive significant NAV growth by the end of CY2026, including two in the next six months. 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

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[13]
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[14]	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	H2 CY2024 - Data readout from its Phase I/II trial in Gaucher disease

[13] The UK's MHRA and the EU's EMA have accepted the VISTA study design as being pivotal
[14] Capital access milestones and potential key value inflection points relate to programmes formerly being progressed by Freeline and SwanBio

	CY2025 - Initiation of Phase III 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	H2 CY2024 - Initiation of Phase I/II trial of ANV600, the company's next generation compound	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	

Enquiries

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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 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.

Life science portfolio valuations

Company	31 Mar 2023	Net investment in the period	Valuation change	FX movement	31 Mar 2024	% of Group NAV	Valuation basis[15],[16],[17]	Fully diluted ownership stake	Focus area
	(£m)	(£m)	(£m)	(£m)	(£m)			(%)	
Strategic portfolio companies									
Late-stage clinical									
Autolus	50.0		122.4	(2.9)	169.5	13.7%	Quoted	12.6%	Cell therapy
Beacon	60.0	20.2		0.1	80.3	6.5%	PRI	65.3%	Gene therapy
Clinical									
Spur[18]	72.3	63.0	1.1	(0.8)	135.6	10.9%	Cost	99.0%	Gene therapy
Quell	86.7			(2.0)	84.7	6.8%	PRI	33.7%	Cell therapy
iOnctura	0.0	25.7		(0.1)	25.6	2.1%	Cost	23.0%	Small molecules
Pre-clinical									
Resolution	23.0	26.9[19]	0.1		50.0	4.0%	Cost	81.6%	Cell therapy
Purespring	35.1	9.9	0.3		45.3	3.6%	Cost	77.1%	Gene therapy
OMass	43.7				43.7	3.5%	PRI	32.7%	Small molecules
Anaveon	64.2	12.6	(42.8)	1.7	35.7	2.9%	PRI	36.9%	Biologics
Kesmalea	4.0	8.0			12.0	1.0%	Cost	62.2%	Small molecules
Mosaic	7.3				7.3	0.6%	Cost	52.4%	Small molecules

[15] Primary input to fair value
[16] 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
[17] 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
[18] New company following Freeline's acquisition of SwanBio
[19] Capital invested incorporates Series A commitment in addition to a £12.0 million convertible note

Forcefield	2.5	4.0			6.5	0.5%	Cost	88.5%	Biologics
Yellowstone	0.0	1.0			1.0	0.1%	Cost	21.6%	Biologics
Portfolio milestones and deferred consideration									
Beacon deferred consideration	15.9		(1.6)	0.1	14.4	1.2%	DCF		Gene therapy
Neogene milestone payment	0.0		2.2		2.2	0.2%	DCF		Cell therapy
Gyroscope milestone payments[20]	54.5		(56.4)	1.9	0.0	0.0%	Written-off		Gene therapy
Syncona investments									
CRT Pioneer Fund	32.8	(1.4)	2.5		33.9	2.7%	Adj Third Party	64.1%	Oncology
Biomodal[21]	18.5			(0.5)	18.0	1.5%	PRI	5.5%	Epigenetics
Achilles[22]	8.6		2.5	(0.1)	11.0	0.9%	Quoted	24.5%	Cell therapy
Clade	24.3		(14.4)	(0.5)	9.4	0.8%	Expected proceeds	21.7%	Cell therapy
Adaptimmune	1.2	(1.4)	0.2		0.0	0.0%	Quoted		Cell therapy
Total Life Science Portfolio	**604.6**	**168.5**	**16.1**	**(3.1)**	**786.1**	**63.5%**			
Capital pool	**650.1**	**(219.7)**	**27.1**	**(4.7)**	**452.8**	**36.5%**			
TOTAL	**1,254.7**				**1,238.9**	**100%**			

Chair's statement

Global market conditions have continued to be impacted by significant macroeconomic and geopolitical uncertainties, which have weighed on sentiment more broadly. It has been one of the worst bear markets for biotech on record, with the S&P Biotech Index (XBI) ending Syncona's financial year 45.7% lower than its peak in February 2021. Over the same period Syncona's life science return is (13.5)% and NAV per share return is (6.1)%[23]. In particular, the funding environment for pre-clinical and early-stage clinical biotech companies has been difficult.

Against this backdrop, the Syncona team[24] has proactively managed the portfolio to protect value and has taken a rigorous approach to capital allocation, focused on clinical assets and assets approaching clinical entry, to enable the delivery of the key value inflection points outlined at our FY2023/4 Interim Results.

Financial performance

[20] Syncona's risk-adjusted and discounted valuation of the milestone payments from the sale of Gyroscope Therapeutics
[21] Formerly CEGX
[22] Syncona has moved Achilles from the strategic portfolio to being classified as a Syncona investment, further information can be found in the portfolio review
[23] 31 December 2020 used as starting valuation for life science and NAV per share returns
[24] Use of "Syncona team" refers to the Syncona Investment Management Limited (SIML) team

During FY2023/4, Syncona has delivered a resilient performance, ending the year with net assets of £1,238.9 million or 188.7p per share, a 1.2% NAV per share return in the year (31 March 2023: net assets of £1,254.7 million, NAV per share of 186.5p, (4.1)% NAV per share return). The life science portfolio delivered a 2.2% return, with the increase in the value of Autolus Therapeutics (Autolus), offset by the partial write-downs at Anaveon and Clade Therapeutics (Clade) and the write-off of Gyroscope Therapeutics (Gyroscope) milestone payments. Performance was further enhanced by accretive share buybacks and positive returns from our capital pool assets.

Focused and rigorous capital allocation

The challenging market backdrop and broader sentiment has impacted Syncona's share price, which declined by 17.0% in the year, with the discount to NAV widening from 20.5% to 34.8%. The Board believes that the share price undervalues the portfolio and its potential and represents a compelling investment opportunity. In September 2023, the Board took the decision to allocate up to £40.0 million to a share buyback programme and post-period end a further £20.0 million has been allocated[25] to the programme. The Board believes this strikes the right balance between continuing to focus capital allocation on Syncona's maturing portfolio and a share buyback given the material discount to NAV at which the shares are currently trading. The capital allocated to the buyback does not impact planned investment into clinical-stage assets in the next 24 months.

In the period, £20.2 million of shares have been repurchased at an average discount of 35.1% to NAV per share, resulting in an accretion of 1.61p to NAV per share in the year. The share buyback is ongoing, with a further £10.0 million of shares bought back since the period end[26].

Over the course of the year, the Syncona team has evolved the Company's approach to capital allocation, moving from focusing on having up to three years of financing available to ensuring Syncona is positioned to sustainably deliver capital access milestones, and is funded to deliver key value inflection points, which have the potential to deliver significant NAV growth. As our portfolio companies continue to mature there is increased potential to access third party capital and liquidity, allowing for a more dynamic approach to capital allocation. The Board believes the evolution in our approach retains the strategic balance sheet that underpins the delivery of Syncona's long-term strategy, whilst also allowing the Company to optimise returns for shareholders. This Capital Allocation Policy is covered more fully in the business review and included in full in the supplementary information section of this announcement.

Embedding a new operating model

During the year, the Syncona team has expanded its senior team and embedded a new operating model to enable the more efficient management of people, capital and the Syncona portfolio. As part of this process, in April 2023 Roel Bulthuis joined as Managing Partner and Head of Investments, bringing over 20 years of global life science venture capital, business development and investment banking experience. In May 2023, John Tsai (previously CMO at Novartis) joined as Executive Partner, with significant clinical, pharmaceutical and leadership experience. Effective 1 April 2024, Rolf Soderstrom former CFO of SIML moved to the role of Executive Partner, where he now supports the Leadership and Investment Teams whilst remaining on the SIML Board and as Chair of the Valuation Committee. Kate Butler, former Group Finance Director of SIML and an experienced financial leader from a career across biotech, took up the role of CFO of SIML. Our Executive Partner group[27] has also expanded during the year and is well placed to support execution at the portfolio companies as they scale. This is an important function for the business and supports our proactive portfolio management approach.

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[25] The further £20.0 million allocated to the share buyback programme will be on the same terms as announced on 29 September 2023, save that the programme has been extended beyond the Company's 2024 Annual General Meeting, subject to the grant of a new buyback authority to the Company by the shareholders at that meeting. Any share purchases under the share buyback programme will be made pursuant to the authority to repurchase shares granted to the Company at its Annual General Meeting held on 1 August 2023, or any new authority granted to the Company at its 2024 Annual General Meeting

[26] As at 19 June 2024

[27] Please refer to glossary

Martin Murphy stepped down as Chair of SIML after 11 years of playing an instrumental role in building Syncona into the business it is today. Martin's impact on both the Company's trajectory and the wider ecosystem has been remarkable, and we are indebted to him for his dedication and the platform he helped us to establish. The Board is pleased with the strategic progress Syncona has made and with how the senior team, now led by Chris, as CEO and Interim Chair of SIML, is operating. A recruitment process to appoint a new permanent Chair of SIML is ongoing. The evolution of the team and the model are critical to the delivery of Syncona's ambitious plans to achieve £5 billion of NAV by 2032.

Building a sustainable life science ecosystem

Since 2012, Syncona has been a key part of changing the landscape for ambitious life science company creation in the UK. As a direct consequence of Syncona's actions, many potential therapies have been taken from academic research into the clinic on an industrial and scalable footing. The Board and Syncona team are passionate about shaping a life science ecosystem that is sustainable and provides a platform for further success. We contribute to this in a range of ways, including by building companies in the UK, funding them at scale and focusing them on product development. The Board and Syncona team also continuously engage with a range of stakeholders, including Government, industry participants, life science property developers, charities and regulators, to enable the scaling of a dynamic biotech cluster in which Syncona and the companies we build can thrive.

The Board is increasingly encouraged by the growing cross-party public policy support for science and innovation, and increased investment in high-growth sectors. A key challenge in translating science from an academic setting and developing it into a commercial reality is accessing the appropriate level of capital to enable a company to scale. We are therefore highly supportive of the ambition behind the Mansion House reforms. The Board and Syncona team are committed to working alongside the signatory pension providers and other relevant parties as these commitments move towards tangible proposals to provide the scale-up capital that will take the UK's biotech sector to the next level.

Syncona's positive role within the ecosystem is also aligned with our commitment to sustainability, which is embedded into Syncona's investment, portfolio management, and business processes. I am pleased with our continued progress in this regard, which includes SIML becoming a signatory of the Net Zero Asset Managers (NZAM) initiative and completing its first UN Principles for Responsible Investment (PRI) submission. A full overview of our progress in and commitment to sustainability and responsible investment can be found in the Sustainability Report that has been published today.

Outlook

Macroeconomic and geopolitical uncertainties have created a challenging backdrop for Syncona and our portfolio. These conditions have impacted both the cost of capital and financing environment in our sector. As we move into FY2024/5, despite the ongoing macro uncertainties, we are cautiously optimistic given the gradual decline in inflation and potential for interest rate cuts. We believe improvements in the macroeconomic environment will create more favourable conditions for our companies to operate in.

In the last year, the Syncona team's operational progress and proactive management of the portfolio has provided a platform for future growth. A newly embedded operating model, expanded team, and evolved Capital Allocation Policy underpinning our disciplined approach to managing our balance sheet, mean Syncona is well positioned to take advantage of market conditions as they improve.

With three companies added to the portfolio during the year, including one at clinical stage, we are on track to deliver on our 10-year targets which were set out in November 2022:

- Three new companies created or added to the portfolio per year
    - This target has been updated to reflect that we will both create companies from highly innovative science and invest in existing companies at clinical stage
- Delivering three to five companies to late-stage development where we are significant shareholders
- Building a portfolio of 20-25 life science companies

The Board remains focused on overseeing and supporting the Syncona team with delivery of our long-term strategy to create, build and scale a portfolio of 20-25 leading life science companies and organically grow net assets to £5 billion by 2032. Together, the Board and Syncona team remain committed to these targets and to delivering medium and long-term growth for our shareholders.

Melanie Gee, Chair of Syncona Limited, 19 June 2024

Business review

The Syncona team has made significant progress in the year, proactively managing the portfolio against a challenging market backdrop, embedding a new operating model to enable scale and adding new companies to the portfolio to deliver on its 10-year targets.

Life science portfolio performance

The performance of the life science portfolio has been driven by a £122.4 million valuation gain from Autolus, which was largely offset by partial write-downs of Anaveon and Clade and the write-off of Gyroscope milestone payments.

The share price appreciation at Autolus was driven by continued strong progress in the development of its obe-cel therapy. The company has submitted the key regulatory filing for approval of the drug, its Biologics License Application (BLA), with the US Food and Drug Administration (FDA) and expects to receive feedback regarding potential approval in November 2024. Autolus also completed a strategic collaboration with BioNTech worth $250 million in upfront proceeds and a public offering of $350 million.

Elsewhere, the partial write-down of Syncona's holding in Anaveon to £35.7 million[28] (£42.8 million decline in value) reflected the company's decision to focus on its next generation, pre-clinical ANV600 programme and the post-period end sale of Clade to Century saw a £14.4 million write-down to £9.4 million. These actions, whilst disappointing from a value perspective, were aligned with our rigorous approach to capital allocation and proactive management of the portfolio. In addition, Novartis' decision during the year to discontinue the development of GT005, which it had been responsible for progressing since acquiring Gyroscope in February 2022, resulted in a write-off of the £56.4 million risk-adjusted valuation of the milestone payments[29].

A maturing, proactively managed portfolio

In November 2022, we set out 10-year targets to organically grow net assets to £5 billion. Since then, the Syncona team has worked hard to rebalance the portfolio whilst prioritising capital towards the most promising companies and assets to provide a platform for future growth. We now have 13 core life science companies in our strategic portfolio that we aim to build to a portfolio of 20-25 companies by 2032. This portfolio is diversified across therapeutic area and modality and weighted towards clinical and late-stage clinical companies.

Over the year, our strategic portfolio has continued to mature with 71.1% of its value now in clinical-stage companies. More broadly, we are pleased with the clinical, operational and financial delivery

[28] Includes additional £12.6 million invested following the write down as part of the final tranche of the Series B financing
[29] Increase from £54.5 million as at June 2023 due to the impact of foreign exchange during the period

our companies have achieved, generating 15 clinical data read-outs, initiating five new clinical trials, and securing nine financings and strategic transactions.

The Syncona team has proactively managed the portfolio to ensure that our companies have a path forward to reach late-stage clinical development, where we believe significant value can be accessed. We set out a clear approach at our annual results last year to navigate our portfolio companies through challenging market conditions and have delivered well against this. We have worked alongside our portfolio companies to widen financing syndicates, execute strategic transactions, focus capital on their most promising assets, streamline budgets and consolidate with other companies to drive combined strength. Notably, the market conditions impacting the biotech sector presented a differentiated opportunity to take Freeline Therapeutics (Freeline) private. Following this transaction, post-period end we announced that Freeline had acquired SwanBio Therapeutics (SwanBio), creating Spur Therapeutics (Spur).

In our FY2023/4 Interim Results, we set out a NAV Growth Framework to provide shareholders with more clarity on the milestones and stages of the development cycle where we anticipate our companies will be able to access capital and drive significant NAV growth in the current market environment. In the second half, the portfolio has delivered six capital access milestones, including the initiation of new clinical trials, publishing new clinical data and the filing of Autolus' BLA submission to the US FDA. Since the period end, the portfolio has delivered a further four capital access milestones, including encouraging clinical data updates. This includes Spur, which published data at the American Society of Gene & Cell Therapy (ASGCT) Annual Meeting, underlining the strong potential of the company's FLT201 therapy in Gaucher disease. The NAV Growth Framework is covered in further detail in the life science portfolio review section.

Capital allocation focused on clinical-stage assets or assets approaching clinical entry

Syncona has been able to leverage its balance sheet throughout a period where cost of capital and access to capital have been challenging, deploying £172.2 million in the year, in line with capital deployment guidance. We have taken a rigorous approach to capital allocation, with 86.1% of capital deployed into clinical-stage assets and assets approaching the clinic, whilst funding our companies through to their next key value inflection points. In doing so we have closely monitored potential liquidity and NAV progression alongside capital needs, whilst considering external factors such as the macro and financing environment.

Despite the challenging market conditions for biotech companies, from the £704.5 million raised by our portfolio, Syncona committed £118.2 million, with our companies attracting £586.3 million from external investors and pharma partners. This demonstrates the attractiveness of our portfolio and our ability to leverage the Syncona balance sheet to access significant further capital.

Adding highly innovative new companies to the portfolio to underpin long-term growth

During the year, we have delivered on our target of adding three new companies to the strategic portfolio. We have been able to selectively increase our exposure to clinical assets beyond the natural maturation of the portfolio, by investing €30 million (£25.7 million) as part of a Series B financing of iOnctura. This is a clinical-stage company developing innovative therapies for neglected and hard-to-treat cancers. Its lead candidate, roginolisib, has demonstrated long-term safety and emerging efficacy data in a Phase Ib clinical trial for uveal melanoma, a rare cancer of the eye where patients have very limited treatment options. Syncona is working with the company to explore the breadth of roginolisib's potential utility and we are excited to add iOnctura and this promising asset to our portfolio.

We are also pleased to announce today the creation of a new company, Yellowstone Biosciences (Yellowstone), with a £16.5 million Series A financing. Yellowstone is an oncology company pioneering soluble bispecific T-cell receptor (TCR)-based therapies to unlock a new class of cancer therapeutics.

We have also committed to a Series A financing of a company we previously seed financed in 2021, Forcefield Therapeutics (Forcefield), a best-in-class therapeutics company aiming to revolutionise the treatment of heart attacks. Alongside Syncona's £20.0 million commitment to Forcefield's Series A, post-period end Roche Venture Fund committed a further £10.0 million to the financing, valuing Syncona's holding in Forcefield at £8.9 million, a 38% uplift to the 31 March 2024 valuation.

Ongoing focus on optimising shareholder returns

During the year, the Syncona team in partnership with the Board conducted an ongoing review of the Company's approach to capital allocation. As part of this, the Board launched a share buyback of up to £40.0 million in September 2023 and post-period end, a further £20.0 million has been allocated to the share buyback programme. Syncona has set out its Capital Allocation Policy to summarise our evolved approach to the way we manage capital to drive and maximise returns for shareholders. The core premise of our investment strategy is that significant risk-adjusted returns in life science come when novel technology is developed to a late-stage clinical product. As a result, many of our investments are both capital intensive and illiquid. We aim to manage our portfolio as a whole to ensure we have the capital required to deliver our investment strategy, either in cash or from liquid assets in our life science portfolio. We leverage our balance sheet by accessing external sources of capital to support the funding of our portfolio companies. We anticipate that we will generate significant cash proceeds from exits or other liquidity events and that over time this will be the principal source of capital to fund our strategy.

Primarily, we will look to re-invest cash proceeds across our portfolio and into new opportunities, where we believe we can drive significant returns by funding companies through to clinical and late-stage development.

Where we do not see investment opportunities that allow us to efficiently deploy capital across our portfolio, we will seek to return capital to shareholders. We will consider all forms of distribution mechanisms for capital returns at the time. This includes buying back our own shares, in particular if market conditions create dislocations between the share price of Syncona and its stated NAV. We will continue to ensure that we are positioned to sustainably deliver capital access milestones and are funded to deliver key value inflection points which have the potential to deliver significant NAV growth.

Our approach to capital allocation is dynamic and continues to evolve as the business scales and matures, increasing the potential to access third party capital, liquidity and optimise returns for our shareholders.

Outlook

Market conditions have been challenging. However, value is returning to late-stage clinical assets and financing conditions are beginning to improve in the private markets. We continue to proactively manage our maturing portfolio to drive our companies to late-stage clinical development and are resolutely focused on delivering the 11 capital access milestones and eight key value inflection points that are mapped against our NAV Growth Framework. We have a strong pipeline of new investment opportunities based on highly innovative science, across therapeutic area, modality and stage of development, from company creation to clinical stage.

Syncona is well positioned with a well-funded portfolio, strong balance sheet, newly embedded operating model, experienced team and clear strategy to take advantage of market conditions as they improve. We have rebalanced the portfolio, prioritising capital towards the most promising companies and assets, and have preserved value in a challenging market. We are excited about the opportunity ahead to achieve our 2032 targets. The financial year has started with positive momentum and we remain focused on driving NAV growth for shareholders whilst delivering transformational impact for patients.

Chris Hollowood, CEO of Syncona Investment Management Limited, 19 June 2024

Life science portfolio review

Our life science portfolio was valued at £786.1 million at 31 March 2024 (31 March 2023: £604.6 million), delivering a 2.2% return during the year. It comprises our 13 portfolio companies, potential milestone payments or deferred consideration, and investments, which are non-core and provide optionality to deliver returns for our shareholders.

Our 13 portfolio companies, known as our strategic portfolio, are the core life science companies where Syncona has significant shareholdings and plays an active role in the company's development. These companies are diversified across modality and therapeutic area, with five companies at the clinical stage (with two producing definitive data) and the remainder of the portfolio at pre-clinical stage.

Our NAV Growth Framework

We are continuing to report against the NAV Growth Framework we established at our FY2023/4 Interim Results, to give shareholders more clarity on which milestones and what stage of the development cycle we anticipate our companies will be able to access capital and drive significant NAV growth in the current market environment. Our portfolio companies are mapped against the categories below.

1. Companies where delivery against milestones has the potential to enable access to capital:

    - Operational build
        - Clearly defined strategy and business plan
        - Leading management team established

    - Emerging efficacy data
        - Clinical strategy defined
        - Initial efficacy data from Phase I/II in patients

2. Companies where delivery against milestones have the potential to deliver NAV uplifts:

    - Definitive data
        - Significant clinical data shows path to marketed product
        - Moving to pivotal trial and building out commercial infrastructure

    - On the market
        - Commercialising product
        - Revenue streams

Specific portfolio company capital access milestones and key value inflection points are not without risk and their impact will be affected by various factors including the market environment at the time of their delivery.

Strategic portfolio

Late-stage clinical companies – 20.2% of NAV

Autolus (13.7% of NAV, 12.6% shareholding) – Moving towards being on the market

Syncona team view

Syncona believes that Autolus' lead therapy, obe-cel in relapsed/refractory (r/r) adult acute lymphoblastic leukaemia (ALL), has the potential to have a meaningful impact for patients suffering from ALL whilst also having a very positive safety profile in a last line setting. This view has been reinforced post-period by positive longer-term follow-up data presented at The American Society of Clinical Oncology (ASCO) Annual Meeting. Autolus is well capitalised to drive the full launch and commercialisation of obe-cel as well as to advance its pipeline development plans into autoimmune diseases, which includes publishing data in a Phase I trial of obe-cel in systemic lupus erythematosus (SLE) in H2 CY2024. This follows a strategic collaboration and equity investment from BioNTech for aggregate proceeds of $250 million upfront, as well as an offering of American Depositary Shares for $350 million, for gross proceeds of $600 million received in the year. We are supportive of the company as it continues to deliver against its operational milestones as it approaches its Prescription Drug User Fee Act (PDUFA) date in November 2024, the target action date that the FDA has set to respond to Autolus' BLA filing for obe-cel.

- **Company focus:** Autolus is developing next generation programmed T-cell therapies for the treatment of cancer and autoimmunity with a clinical pipeline targeting haematological malignancies, solid tumours and autoimmune diseases.

- **Lead programme:** Autolus announced further data from its study of obe-cel in r/r adult ALL at the American Society of Haematology (ASH) Annual Meeting in December 2023, demonstrating prolonged event free survival and a favourable safety profile across all patient cohorts. Additional longer-term follow up data released post-period end at ASCO further underlined the strong safety profile of the drug, whilst demonstrating a durable response to treatment and potential for long-term survival outcomes. During the year Autolus filed a BLA with the US FDA and a Marketing Authorisation Application (MAA) with the UK's Medicines and Healthcare products and Regulatory Agency (MHRA) for obe-cel, both of which have been accepted. The FDA has set a PDUFA target action date of 16 November 2024 for reviewing the BLA application. The company is preparing for the commercial launch of obe-cel in H2 CY2024, subject to regulatory approval.

- **Commercialisation readiness:** During the year Autolus opened its manufacturing facility, the Nucleus, in Stevenage, a 70,000 sq. foot advanced manufacturing facility which will support the commercial launch of obe-cel. The Nucleus is the first of its kind in the UK and provides a specialist manufacturing capability for the supply of personalised cell therapy products. The Nucleus has obtained a Manufacturer's Importation Authorisation (MIA) together with the accompanying GMP certificate. This authorisation enables Autolus to manufacture for global commercial and clinical product supply. Autolus has also selected Cardinal Health as its US Commercial Distribution Partner, enabling distribution capabilities required to commercialise a CAR T-cell therapy in the US. These significant operational milestones will help to support obe-cel's planned commercialisation in 2024, enabling Autolus to launch the product at a scale which serves global demand in r/r adult ALL. Autolus' commercial readiness has been strengthened through its strategic collaboration with BioNTech, where under the terms of the agreement BioNTech will support the launch and expansion of obe-cel and will receive a royalty on net sales.

- **Pipeline programmes:** Autolus expanded the use of its lead asset, obe-cel, into autoimmune diseases through the initiation of a Phase I trial in SLE, with an initial data readout expected in H2 CY2024. During the year Autolus also published further data from the ALLCAR extension study of obe-cel in non-Hodgkin's lymphoma (NHL) and chronic lymphocytic leukaemia (CLL), as well as from its study of obe-cel in primary central nervous system lymphoma (PCNSL), further supporting the safety profile of the therapy. The company also continues to make progress across its broader pipeline, releasing further data from AUTO1/22 in paediatric ALL and AUTO4 in peripheral T-cell lymphoma, initial data from AUTO8 in multiple myeloma, and initiating a Phase I trial of AUTO6NG in neuroblastoma. The data reported to date further demonstrates the strength of Autolus' technology and platform.

- **Strategic transactions:** In February 2024 Autolus announced a strategic collaboration with BioNTech aimed at advancing both companies' autologous CAR-T programmes towards commercialisation, pending regulatory authorisations. In connection with the strategic collaboration, the companies entered into a license and option agreement and a securities purchase agreement. Under the terms of the agreement, BioNTech made a cash payment of $50 million to Autolus, and agreed to purchase $200 million of Autolus' American Depositary Shares in a private placement. BioNTech also has the option to utilise Autolus' manufacturing capacity in a cost-efficient set up, has access to Autolus' cell programming technologies and has co-commercialisation options for Autolus' AUTO1/22 and AUTO6NG programmes.

- **People:** The company appointed Robert F. Dolski as CFO and promoted Dr Chris Williams to Chief Business Officer. Robert brings more than 20 years of diversified experience as a life sciences financial executive, driving the strategy, planning, execution and financing of private and public biopharmaceutical companies. Chris was part of the team that founded Autolus in 2014 and he initially served on the company's Board as a Non-Executive Director. He previously worked at University College London (UCL) Business where he led the establishment of strategic collaborations, licensing deals, new companies and financing transactions across a portfolio of cell and gene therapies in oncology and rare diseases.

- **Potential key value inflection point:** Commercial traction following US launch of obe-cel in r/r adult ALL in CY2025, dependent on FDA regulatory approval.

Beacon (6.5% of NAV, 65.3% shareholding) – Moving towards being on the market

Syncona team view

Syncona believes that the eye is a very attractive target for AAV gene therapy, and Beacon Therapeutics (Beacon) represents a significant opportunity for Syncona to apply its domain knowledge in retinal gene therapy, where it already has prior expertise, to a late-stage clinical asset in X-linked retinitis pigmentosa (XLRP). The initiation of Beacon's Phase II/III registrational trial, coupled with its exciting platform potential, means the company has real opportunity to drive value for our shareholders.

- **Company focus:** Beacon is an ophthalmic AAV-based gene therapy company founded to save and restore the vision of patients with a range of prevalent and rare retinal diseases that result in blindness.

- **Financing stage:** Raised £96.0 million in a Series A financing in 2023.

- **Lead programme:** Post-period end Beacon announced the initiation of its Phase II/III registrational VISTA study for its lead candidate, AGTC-501, in XLRP. Beacon plans to use the data generated from the VISTA trial, in combination with data from the Phase I/II HORIZON and Phase II SKYLINE trials, to support its regulatory strategies in the EU and US. During the year the company also entered the clinic with the Phase II DAWN trial, which assesses the safety, efficacy and tolerability in AGTC-501 amongst patients who have already been treated once with the therapy in their other eye. There are no approved treatments for XLRP, and the programme has orphan drug designations from both the FDA and the European Commission. During the year Beacon presented encouraging efficacy from the SKYLINE trial at the Annual Macula Society Meeting, demonstrated by improvements in retinal sensitivity, the primary endpoint for the trial, with a 63% response rate in the higher dose cohort. AGTC-501 has also shown a favourable safety profile through data published from the SKYLINE and HORIZON studies.

- **Commercialisation update:** Post-period end Beacon announced the sale of its manufacturing team and facility in Alachua, Florida to Ascend Advanced Therapies (Ascend). The transaction includes a long-term partnership with Ascend to continue manufacturing its products for clinical and commercial use, securing GMP product supply for AGTC-501, and enabling the company to focus on clinical development.

- **Pipeline programmes:** Beacon has an exciting pre-clinical programme in dry age-related macular degeneration (dAMD), a leading cause of irreversible vision loss in people over 60. Beacon's dAMD programme features an intravitreally (IVT) delivered novel AAV based gene therapy. IVT delivery is less invasive, requires less clinician training and can be delivered in clinic rather than via surgery, hence provides greater access to more patients.

- **Potential key value inflection points:**
    - 24-month data from Phase II SKYLINE trial in XLRP expected in H2 CY2024.
    - Data readout from its Phase II/III registrational VISTA trial in XLRP expected in CY2026.

Clinical-stage companies – 19.8% of NAV

Spur (10.9% of NAV, 99.0% shareholding) – Moving towards publishing definitive data

Syncona team view

Post-period end, we announced that Freeline had completed the acquisition of Syncona portfolio company SwanBio to form Spur, which is in line with Syncona's portfolio management strategy of consolidating companies to strengthen management teams, improve balance sheets and access to capital, prioritise the most promising companies and assets, leverage synergies and drive cost savings. During the period, as a result of the challenging market conditions impacting the biotech sector, and our confidence in its lead FLT201 Gaucher disease programme, we executed on a differentiated opportunity to take Freeline private. Syncona continues to be encouraged by the data published from the Gaucher disease programme, which we believe has the potential to deliver long-term value. Spur's SBT101 programme for the treatment of AMN, a devastating central nervous system (CNS) disorder for which there are currently no approved treatments, is currently in a Phase I/II trial. This programme will further bolster Spur's growing focus on the use of gene therapy in the CNS, supporting the development of Spur's pre-clinical research programme in Parkinson's disease. Syncona believes that Spur represents a significant opportunity to deliver two first-in-class gene therapies and progress a pipeline targeting more prevalent chronic debilitating diseases.

- **Company focus:** Developing transformative gene therapies for patients suffering from chronic debilitating diseases.

- **Financing stage:** As part of Syncona's acquisition of Freeline, Syncona provided $15 million (£11.9 million) of financing to enable the company to meet its near-term cash requirements to continue to advance FLT201. Alongside Freeline's acquisition of SwanBio to create Spur, Syncona committed to providing a further £40.0 million in financing to support the development of the company's expanded pipeline. During the year the management team also executed on a series of operational and clinical actions to extend its cash runway.

- **Clinical update:** Post-period end the company presented further positive data from its lead Gaucher disease programme at ASGCT reinforcing the safety, tolerability and efficacy profile of FLT201, as well as its potential to improve quality of life for patients. Importantly the data showed levels of lyso-Gb1[30] were substantially reduced in patients with persistently high lyso-Gb1 levels, despite years on prior treatment with enzyme

[30] Established biomarker of response in Gaucher disease patients

replacement therapy (ERT) or substrate reduction therapy (SRT), the current standard of care for Gaucher disease patients. Spur's SBT101 programme in AMN continued to make progress during the year. Following the integration of the AMN programme into Spur's pipeline, the company's management team is reviewing the clinical development programme for SBT101 and now expects to release an interim safety readout from the higher dose cohort in H1 CY2025.

- **Strategic transactions:** The challenging market conditions impacting the biotech sector presented a differentiated opportunity to take Freeline private. Following this transaction, Freeline completed an acquisition of Syncona portfolio company SwanBio to form Spur, creating a consolidated AAV gene therapy pipeline that includes FLT201 and SBT101. The transaction consolidates costs, drives efficiencies, provides a broadened clinical pipeline, and brings strategic synergies including clinical capabilities and manufacturing know-how. The acquisition has taken place at the portfolio companies' holding valuations, resulting in a combined valuation of £135.6 million at the year end[31]. The combined company is led by Freeline CEO Michael Parini and will benefit from the world-class leadership of the broader Freeline management team who are focused on driving forward two potentially first-in-class gene therapy assets.

- **Potential key value inflection point:** Data readout from its Phase I/II trial in Gaucher disease expected in H2 CY2024.

Quell (6.8% of NAV, 33.7% shareholding) – Moving towards publishing emerging efficacy data

Syncona team view

We have seen strong validation for the potential of Quell Therapeutics' (Quell) technology and platform through its collaboration with AstraZeneca, where Quell received $85 million upfront, predominantly comprising a cash payment alongside an equity investment, to develop, manufacture and commercialise autologous T-regulatory (Treg) cell therapies for two autoimmune disease indications. During the period Quell announced positive safety data from its lead QEL-001 programme in liver transplantation. This was confirmed through further safety data that was published post-period end from the initial safety cohort of three patients, which has supported Quell's subsequent decision to advance QEL-001 into the efficacy cohort of its Phase I/II trial. We continue to work alongside the company's management team as the company delivers against its upcoming operational and clinical milestones.

- **Company focus:** Developing engineered Treg cell therapies to treat a range of conditions such as solid organ transplant rejection, autoimmune and inflammatory diseases.

- **Financing stage:** Raised $156 million in a Series B financing in November 2021.

- **Clinical update:** Announced initial positive safety data from its Phase I/II trial in liver transplantation. Post-period end Quell presented further safety data at the American Transplant Congress, demonstrating that QEL-001 was safe and well tolerated by liver transplant patients. The company has announced that it is advancing the therapy's development into the efficacy cohort of the LIBERATE Phase I/II trial.

- **Commercial update:** Quell entered into a collaboration, exclusive option and license agreement with AstraZeneca to develop, manufacture and commercialise autologous, engineered Treg cell therapies for two autoimmune disease indications, providing excellent validation for Quell's technologies and capabilities. As part of the collaboration,

[31] £104.7 million valuation within the announcement of the acquisition on 17 June 2024 reflected the 31 December 2023 valuation of SwanBio (£74.6m) and Freeline (£20.5m), pro-rata for the movement in share price to the acquisition date and the consideration paid for the remaining shares in Freeline (£9.6m). Further movements in the valuation primarily reflect an additional £27.9 million invested by Syncona alongside the acquisition

Quell received $85 million upfront, comprising a predominant cash payment and an equity investment, with potential payments of over $2 billion contingent on successfully reaching development and commercial milestones, plus tiered royalties.

- **Potential key value inflection point:** Data readout from its Phase I/II trial in liver transplantation expected in CY2025.

iOnctura (2.1% of NAV, 23.0% shareholding) – Moving towards publishing definitive data

Syncona team view

iOnctura represents an opportunity to invest in a clinical-stage company and to take its lead programme, roginolisib, through to late-stage clinical development. This is in line with Syncona's strategy to focus capital deployment on clinical-stage assets or assets approaching clinical entry. The Syncona team is working closely alongside iOnctura to review its pipeline and explore the breadth of roginolisib's utility. Syncona believes roginolisib has the potential to modulate an important biological pathway in cancer with a side-effect profile that will allow it to benefit many patients.

- **Company focus:** Developing selective cancer therapeutics against targets that play critical roles in multiple tumour survival pathways.

- **Financing stage:** Syncona led a €80 million (£68.4 million) Series B financing of iOnctura in March 2024. iOnctura has been added to the strategic portfolio in the financial year.

- **Lead programme:** iOnctura's lead programme, roginolisib, is a first-in-class allosteric (indirect) modulator of PI3K delta (PI3Kδ), which has potential application across a variety of solid tumour and haematological cancers. Roginolisib demonstrated long-term safety and emerging efficacy data in a Phase Ib trial for uveal melanoma, a rare cancer of the eye where patients have very limited treatment options. Phase II trials in uveal melanoma and other cancer indications, including non-small cell lung cancer and primary myelofibrosis, are expected to begin later in CY2024.

- **Pipeline programmes:** The company has a number of clinical and pre-clinical pipeline programmes in broader oncology indications.

- **Potential key value inflection point:** Data readout from its Phase II trial in uveal melanoma expected in CY2026.

<u>Pre-clinical companies – 16.2% of NAV</u>

Resolution (4.0% of NAV, 81.6% shareholding) – Moving towards publishing definitive data

- **Company focus:** Resolution Therapeutics (Resolution) is pioneering macrophage cell therapy for transformative outcomes in inflammatory organ diseases.

- **Financing stage:** Raised £37.9 million to date from Syncona through its Series A financing.

- **Clinical update:** Resolution's founders presented clinical data at the American Association for the Study of Liver Diseases (AASLD) Annual Meeting from an academic study (MATCH II) which provided proof-of-principle that treatment with a macrophage cell therapy was well tolerated in patients, and helped to dramatically reduce liver associated complications, including death. Further data presented post-period at the European Association for the Study of the Liver (EASL) Congress confirmed the excellent safety and efficacy of the therapy at 30 months post-treatment. Resolution is using the outputs

of this trial to prepare its lead product RTX001, an engineered autologous macrophage cell therapy, for a Phase I/II clinical trial, expecting to enter the clinic in H2 CY2024.

- **People update:** Resolution strengthened its leadership team in the period with several appointments, including of Dr Amir Hefni as CEO, who brings almost 20 years' experience in drug discovery and development leadership in the biotechnology and pharmaceutical industry and joins Resolution from Novartis where he was the Head of Cell & Gene Therapy. Resolution also appointed Simon Ramsden as CFO, who brings broad corporate and commercial finance experience in the pharmaceutical and biotechnology industry, and Dr Clifford A. Brass as CMO. Clifford brings extensive clinical development experience having spent over 25 years working in the pharmaceutical industry, with a strong emphasis on advanced liver disease.

- **Potential key value inflection point:** Data readout from its Phase I/II trial in end stage liver disease expected in CY2026.

Purespring (3.6% of NAV, 77.1% shareholding) – Moving towards publishing emerging efficacy data

- **Company focus:** Developing gene therapies for the treatment of chronic renal diseases which are currently poorly served by existing treatments.

- **Financing stage:** Raised £45.0 million in a Series A financing in 2020.

- **Development update:** Continuing to develop its pre-clinical pipeline and proprietary platform.

- **People update:** Purespring made several key appointments including Fredrik Erlandson as CMO, Sachin Kelkar as CFO and Peter Mulcahy as Chief People Officer. These appointments strengthen Purespring's leadership team, with Fredrik leading the clinical development of Purespring's current and future pipeline, Sachin leading the company's finance strategy and Peter championing culture and growth.

OMass (3.5% of NAV, 32.7% shareholding) – Moving towards publishing emerging efficacy data

- **Company focus:** Developing small molecule drugs to treat rare diseases and immunological conditions.

- **Financing stage:** Raised £75.5 million in a Series B financing in April 2022, with an additional £10 million investment from British Patient Capital announced in May 2023.

- **Commercial update:** The company moved to a new purpose-built 16,000 sq. foot mixed-use facility at the ARC Oxford campus, helping it to prepare for its next phase of growth and enabling further collaboration as it expands its team.

- **People update:** The company expanded its leadership team with the appointments of Dr Winfried Barchet as Vice President of Immunology, who brings more than 15 years of experience across drug discovery and translational research, and Jim Geraghty joined as Chairman of its Board of Directors, bringing over 35 years of strategic experience including more than 25 years as a senior executive at biotechnology companies developing and commercialising innovative therapies.

Anaveon (2.9% of NAV, 36.9% shareholding) – Moving towards publishing emerging efficacy data

- **Company focus**: Developing a selective IL-2 receptor agonist, a type of protein that could enhance a patient's immune system to respond therapeutically to cancer.

- **Lead programme**: During the year Anaveon took the strategic decision to focus on its next-generation compound, ANV600, a targeted version of its first-generation product ANV419. Pre-clinical data released to date has supported the potential of ANV600 as a monotherapy and as a combination therapy for cancer.

- **Financing stage**: Reflecting the strategic decision to focus on the ANV600 programme, which is pre-clinical stage, Syncona and the syndicate of investors in Anaveon adjusted the price of the final CHF 36.2 million (£32.5 million) tranche of the 2021 Series B financing.

- **Clinical update:** On track to initiate a Phase I/II clinical trial of ANV600 in H2 CY2024.

- **Potential key value inflection point**: Data readout from its Phase I/II trial of ANV600 expected in CY2026.

Kesmalea (1.0% of NAV, 62.2% shareholding) – Moving towards completing operational build

- **Company focus:** An opportunity to create a new generation of small molecule oral drugs addressing diseases through modulating protein homeostasis.

- **Financing stage:** £20.0 million Series A financing led by Syncona in 2022 alongside Oxford Science Enterprises. An additional £5.0 million was raised during the year with Syncona committing £4.0 million.

- **Development update:** The company progressed development of its platform technology and discovery programmes. The Syncona Executive Partner group has also been working with the company on its strategy and in identifying novel targets for its platform.

Mosaic (0.6% of NAV, 52.4% shareholding) – Moving towards completing operational build

- **Company focus:** Oncology therapeutics company focusing on drug development against genetically informed targets.

- **Financing stage:** £22.5 million Series A announced in April 2023, led by Syncona with a £16.5 million commitment alongside Cambridge Innovation Capital.

- **Platform capabilities:** Mosaic Therapeutics' (Mosaic) technology platform uses proprietary disease models and artificial intelligence and machine learning to enable identification of novel biological intervention to drive responses in cancer. The company will then leverage these insights to build a pipeline of programmes.

- **People update:** Syncona Managing Partner, Edward Hodgkin, became Chairman of the company during the year.

Forcefield (0.5% of NAV, 88.5% shareholding) – Moving towards publishing emerging efficacy data

- **Company focus:** Pioneering best-in-class therapeutics aiming to use protective cardiomyocytes to revolutionise the treatment of heart attacks.

- **Financing stage:** Syncona committed to a Series A financing in Forcefield in March 2024 and invested £4.0 million into the company during the year[32]. Post-period end Forcefield attracted a further £10.0 million Series A commitment from Roche Venture Fund, valuing Syncona's investment at £8.9 million, a 38% (£2.4 million) uplift to the 31 March 2024 value; Syncona's total commitment in the Series A is £20.0 million. Forcefield has been added to the strategic portfolio in the financial year.

- **People update:** John Tsai MD, joined Forcefield as Chair and CEO, bringing over 20 years' experience in global pharmaceuticals with a proven track record in leading transformational organisational growth and strategy. He is currently an Executive Partner at Syncona and was most recently President, Global Drug Development and CMO at Novartis.

Yellowstone (0.1% of NAV, 21.6% shareholding) - Moving towards completing operational build

- **Company focus:** Pioneering soluble bispecific T-cell receptor (TCR)-based therapies to unlock a new class of cancer therapeutics.

- **Financing stage:** Syncona committed £16.5 million to Yellowstone in a Series A financing in March 2024, and invested £1.0 million into the company during the year. Yellowstone has been added to the strategic portfolio in the financial year.

- **People update:** The company launched with an experienced and industry-leading team. This includes Prof. Paresh Vyas as CSO, who is a Professor of Haematology and Deputy Director of MRC Molecular Haematology Unit at the University of Oxford and Oxford University Hospitals NHS Trust, Julian Hirst as CFO, who has over 20 years of financial experience, and Neil Johnston as Executive Chair, who spent 17 years at Novartis, most recently as global Head of Business Development and Licensing and a member of the company's Pharma Executive Committee.

Portfolio milestones and deferred consideration – 1.4% of NAV

During the year, Novartis took the decision to discontinue the development of GT005 (previously the lead asset at Gyroscope Holdings Limited) in Geographic Atrophy (GA) secondary to dry AMD, which it had been responsible for progressing since acquiring Gyroscope in February 2022. Syncona had been eligible for a series of milestone payments in the event of the successful clinical development and commercialisation of the programme. The decision taken by Novartis to stop development of GT005 therefore resulted in a write-off of the £56.4 million risk-adjusted valuation of the milestone payments.

Syncona also currently has rights to potential milestone payments related to the sale of Neogene to AstraZeneca. Alongside these, as part of Syncona's acquisition of AGTC, the company has the potential to benefit from any future commercialisation of Beacon's lead asset AGTC-501 via a "deferred consideration" which provides the right to a mid-single digit percentage of future income from sales and licensing. Together, these potential milestones and deferred consideration are valued on a risk-adjusted discounted cash flow basis at £16.6 million.

Syncona investments – 5.9% of NAV

Syncona has £72.3 million of value in its investments, which are non-core and provide optionality to deliver returns for our shareholders. Our assets held within our investments are Achilles Therapeutics (Achilles), Clade, CRT Pioneer Fund, and Biomodal (formerly Cambridge Epigenetix).

Syncona's 0.8% holding in Adaptimmune was sold during the period for £1.4 million.

[32] £1.0 million of investment during the year was part of the Series A commitment

Achilles published further data from 18 patients post-period end, which showed that there had been no further objective responses since the previous data update in December 2022, including at the higher dose level. Syncona believes that in order for Achilles to be competitive, it would need to show an ability to routinely manufacture its products at high doses and in significant numbers whilst delivering superior efficacy to comparable treatments. The company has been unable to demonstrate this to date and on this basis, Syncona has moved Achilles from the strategic portfolio to being classified as a Syncona investment. Syncona does not hold a Board role at the company but as a significant shareholder, is engaging with the Board on a path forward.

Post-period end, an agreement was reached for Clade to be acquired by Century Therapeutics for up to $45.0 million (£35.9 million), with upfront consideration to Syncona of $9.3 million (£7.4 million). Given the impending sale of the company and with Syncona no longer holding a Board role, Clade has been moved from the strategic portfolio to being classified as a Syncona investment.

Portfolio milestones delivery since introduction of NAV Growth Framework (FY2023/4 Interim Results, November 2023)

Strategic life science portfolio company	**Milestone**	**Milestone type**	**Expected**	**Status**
Autolus	Further long-term follow up data from its pivotal study in obe-cel in adult r/r B-ALL	Capital access milestone	H2 CY2023	Delivered
	BLA submission for obe-cel to the FDA	Capital access milestone	H2 CY2023	Delivered
	Initiate a Phase I study of obe-cel in refractory SLE, extending the use of obe-cel into autoimmune diseases	Capital access milestone	H1 CY2024	Delivered
Achilles[33]	Provide further data from its Phase I/IIa clinical trial in NSCLC	Capital access milestone	Q1 CY2024	Delivered in Q2 CY2024
	Provide further data from its Phase I/IIa clinical trial in melanoma	Capital access milestone	Q1 CY2024	Delivered in Q2 CY2024
Quell	Complete dosing of the safety cohort in its Phase I/II trial in liver transplantation	Capital access milestone	H2 CY2023	Delivered in H1 CY2024
	Initial safety data in Phase I/II trial in liver transplantation	Capital access milestone	H1 CY2024	Delivered
Beacon	Publish 12-month data from its Phase II trial in XLRP	Capital access milestone	H1 CY2024	Delivered
	Initiate its Phase II/III trial in XLRP	Capital access milestone	H1 CY2024	Delivered
Freeline (now Spur)	Release of additional data from its Phase I/II trial in Gaucher disease	Capital access milestone	CY2024	Delivered
SwanBio (now Spur)	Initial safety readout in higher dose cohort from its Phase I/II trial in AMN	Capital access milestone	H1 CY2024[34]	Now expected in H1 CY2025

[33] Achilles is now a Syncona investment and not part of the strategic portfolio

[34] In the Q3 Update in February 2024, Syncona updated its guidance for the SBT101 programme to report that it expected its safety read-out to be published in H2 CY2024

Anaveon	Publish initial data from its Phase I/II trial of ANV419 in metastatic melanoma	Capital access milestone	H2 CY2024	ANV419 programme deprioritised

Financial review

Syncona's strategy is supported by our capital pool, people and new operating model, which underpin our ability to deliver medium and long-term growth for our shareholders. We take a robust and prudent approach to valuation and managing our balance sheet, whilst closely managing our costs. This ensures that we are investing to support the delivery of our strategy, as part of our ongoing focus on optimising medium and long-term returns for our shareholders.

NAV performance

Syncona ended the year with net assets of £1,238.9 million, or 188.7p per share, a 1.2% NAV per share return in the year.

Rigorous approach to capital allocation

As more fully covered in the business review, we take a rigorous approach to capital allocation and managing our balance sheet, closely monitoring potential liquidity and NAV progression alongside capital needs, whilst considering external factors. This ensures that we can sustainably deliver milestones that have the potential to enable capital access and are funded to deliver key value inflection points which have the potential to deliver significant NAV growth.

Within our life science portfolio, we have continued to prioritise capital towards clinical opportunities and assets which are approaching clinical entry, aligning our capital allocation to our NAV Growth Framework. A total £172.2 million of capital was deployed into the life science portfolio in the 12 months. Of this, £135.8 million was invested in companies that are moving towards definitive data or towards being on the market, where key value inflection points have the potential to drive significant NAV growth. This includes investments in Beacon, Spur, Resolution and a new investment iOnctura. In addition, £26.5 million was invested in companies moving towards emerging efficacy data, to support programmes that have the potential to underpin capital access, including investments in Forcefield, Anaveon and Purespring. The remaining £9.9 million was invested in earlier stage companies, including the tranched milestone payment to Kesmalea and the new investment in Yellowstone, supporting longer-term growth.

Alongside these investments, in September 2023 the Board allocated £40.0 million to a share buyback programme and post-period end, a further £20.0 million has been allocated to the programme. At 30 March 2024, £20.2 million of this had been invested in repurchasing 16.5 million shares, at an average discount of 35.1%, resulting in an accretion of 1.61p to NAV per share. The share buyback is ongoing, with a further £10.0 million of shares repurchased since the year end at an average discount of 38.8%[35].

Looking forward, we have a strong pipeline of existing and new opportunities and expect to deploy between £150-200 million across our life science portfolio and into new opportunities in the financial year to 31 March 2025. We will continue to focus our capital allocation on clinical opportunities and assets that are approaching clinical entry, aligning our capital allocation to our NAV Growth Framework as our companies scale.

Prudent capital pool management to balance inflationary risk

Within our capital pool of £452.8 million we ensure that we allocate between 12 and 24 months of funding to cash and Treasury Bills. Longer-term capital is allocated to a number of low volatility,

[35] As at 19 June 2024

highly liquid, multi-asset and credit funds or mandates, managed by Kempen and M&G with portfolio mandates to deliver a core CPI (consumer price index) return over the mid-term. During the year, we exited our position in the Schroder Diversified Growth Fund and re-deployed the capital into short-dated treasuries. At the year end, £262.4 million was held in cash and Treasury Bills, with £182.5 million held in multi-asset funds and credit funds. The remainder of the capital pool is invested in mature cash generative private equity funds. To provide Syncona with a natural hedge against short-term US dollar cash flows, 14.6% of our capital pool is held in US dollars and the 2.3% strengthening of Sterling over the year resulted in a small unrealised foreign exchange loss at the year end. The overall return across our capital pool during the year was 3.4%.

	£M	% OF GROSS CAPITAL POOL[36]	% OF NAV
CASH	99.0	20.9%	8.0%
TREASURY BILLS	163.4	34.5%	13.2%
MULTI-ASSET FUNDS	70.5	14.9%	5.7%
CREDIT FUNDS	112.0	23.6%	9.0%
PRIVATE EQUITY FUNDS	28.8	6.1%	2.3%

We will continue to monitor the asset allocation and foreign exchange exposure within the capital pool based on our capital requirements and market conditions, with a focus on balancing inflationary risk with a core strategy of capital preservation and liquidity access.

Valuation approach

At the year end, our life science portfolio comprised listed holdings (23.0%), private companies either valued at price of recent investment (PRI) (33.4%), or on the basis of capital invested (calibrated cost) (36.0%). In addition, potential milestone and deferred consideration payments relating to Neogene and Beacon are valued on a risk-adjusted discounted cash flow basis in line with our Valuation Policy and together represent 2.1% of the portfolio[37].

Throughout the challenging macro environment, which has impacted valuations for early-stage life science companies, the Syncona team has continued to rigorously review the robustness of our private company valuations. These companies have a number of key milestones ahead which will be central to enabling future access to capital and key valuation inflection points that have the potential to drive significant NAV growth. Our approach to valuation includes taking inputs from the investment team, with a focus on delivery against these upcoming milestones as well as taking into account any developments during the period which may have impacted the investment theses of individual companies. We have also taken into account the input provided by Syncona's external valuation adviser on our seven largest private holdings, which together make up 68.2% of the strategic portfolio by value. We will continue to review our company valuations on a quarterly basis alongside market data as conditions evolve, with conditions in the private markets now beginning to improve.

Investing in our platform to support growth ambitions

As highlighted in last year's annual results, we continue to invest in our platform and team to support our growth ambitions, which has led to an anticipated increase in our cost base. In particular, we have made a number of senior appointments to the investment team and Executive Partner group, alongside further investment across the business to support the scaling of our model. Syncona is a

[36] Gross capital excludes other assets/liabilities and cash held within the Investment Manager, SIML

[37] Additional 5.5% of value within the life science portfolio is from the CRT Pioneer Fund (4.3%) which is valued based on an adjusted third-party valuation, and anticipated proceeds from the sale of Clade to Century (1.2%)

self-managed vehicle and SIML costs are managed prudently by the Leadership Team within an annual budget approved by the Board. SIML management fees for FY2023/4 were £16.6 million (1.34% of NAV[38]), an increase of £4.5 million on FY2022/3. In addition to an increase in headcount, this increase also reflects the influence of the inflationary environment on salaries and business expenses. Notwithstanding further inflationary impacts, the SIML team does not expect costs to materially increase in FY2024/5, with investment in the platform and senior team now largely complete. Total costs of Syncona Limited during the year increased to £26.3 million (2.12% of NAV) compared to £22.4 million (1.79% of NAV) in the prior year. These costs incorporate fees paid to SIML, ongoing operating costs of the Company, the £4.4 million charitable donation and the costs associated with the long-term incentive scheme.

Kate Butler, Chief Financial Officer of Syncona Investment Management Limited, 19 June 2024

Supplementary information

Capital Allocation Policy

Syncona is committed to driving and maximising returns for shareholders over the long term as we seek to deliver on our 10-year targets as set out in November 2022. We strive to deliver growth through capital appreciation and offer investors the opportunity to access the expertise of Syncona's specialist team and the growth potential of a proprietary investment portfolio in a high risk and high reward sector.

Focus on driving significant value through investing in life science

The core premise of our investment strategy is that significant risk-adjusted returns in life science come when novel technology is developed to a late-stage clinical product. We generate opportunities to do this by creating companies from exceptional science, then building and scaling them over the long term to reach late-stage clinical development, alongside third-party investors. We also seek to make new investments in clinical-stage opportunities, both public and private, where we can similarly advance them to late-stage clinical development and generate strong risk-adjusted returns.

Portfolio management and our NAV Growth Framework

Many of our investments are both capital intensive and illiquid. We aim to manage our portfolio as a whole to ensure we have the capital required to deliver our investment strategy, either in cash or from liquid assets in our life science portfolio. We leverage our balance sheet by accessing external sources of capital to support the funding of our portfolio companies. We take a rigorous approach to capital allocation, prioritising capital towards clinical opportunities and assets which are approaching clinical entry, while continuing to create companies based on exceptional science.

In our FY2023/4 Interim Results, we set out a NAV Growth Framework to give shareholders more clarity on which milestones and at what stage of the development cycle we anticipate our companies will be able to access capital and drive significant NAV growth. Emerging clinical data typically has the potential to drive access to capital either through company financings or, for companies that are publicly listed, it can drive returns by share price appreciation. Definitive clinical data has the potential to provide significant NAV growth and has the potential to provide access to capital through sales of portfolio companies, or significantly increased market liquidity in listed shares.

If our investment strategy is successful, we anticipate that we will generate significant cash proceeds from exits or other liquidity events and that over time this will be the principal source of capital to fund our strategy.

A sustainable model and a strategic approach to capital efficiency

[38] Using NAV at 31 March 2024

Primarily, we will look to re-invest cash proceeds across our portfolio and into new opportunities, where we believe we can drive significant returns by continuing to fund companies through to clinical and late-stage development.

Where we do not see investment opportunities that allow us to efficiently deploy capital across our portfolio, we will seek to return capital to shareholders. We will consider all forms of distribution mechanisms for capital returns at the time. This includes buying back our own shares, in particular if market conditions create dislocations between the share price of Syncona and its stated NAV. We will continue to ensure that we are positioned to sustainably deliver milestones that have the potential to enable capital access and are funded to deliver key value inflection points which have the potential to deliver significant NAV growth.

Our approach to capital allocation is dynamic and continues to evolve as the business scales and matures, increasing the potential to access third party capital, liquidity and optimise returns for our shareholders.

Our track record since 2012

- £1,251.1 million deployed in life science portfolio since 2012
- 20.2% IRR and 1.4x multiple on cost across whole portfolio[39]

Company	Cost (£m)	Value (£m)	Multiple	IRR
Strategic portfolio				
Autolus	147.0	169.5	1.2	2.8%
Spur	351.8	135.6	0.4	(28.9%)
Beacon (incl. Deferred Consideration)	80.2	94.6	1.2	16.6%
Quell	61.4	84.7	1.4	10.3%
Resolution	49.9	50.0	1.0	0.0%
Purespring	45.0	45.3	1.0	0.3%
OMass	35.4	43.7	1.2	6.5%
Anaveon	52.5	35.7	0.7	(16.3%)
iOnctura	25.7	25.6	1.0	NA
Kesmalea	12.0	12.0	1.0	0.0%
Mosaic	7.3	7.3	1.0	0.0%
Forcefield	6.5	6.5	1.0	0.0%
Yellowstone	1.0	1.0	1.0	0.0%
Realised companies				
Blue Earth	35.3	351.0	9.9	83.3%
Gyroscope	113.1	325.3	2.9	50.0%
Nightstar	56.4	255.7	4.5	71.1%
Neogene (incl. Milestone value)	14.3	17.6	1.2	9.5%
Azeria	6.5	2.2	0.3	(50.1%)
14MG	5.5	0.7	0.1	(46.4%)
Investments				
Achilles[40]	60.7	11.0	0.2	(31.0%)

[39] Includes sales of Blue Earth, Nightstar, Gyroscope, and Neogene, closures of 14MG and Azeria. All IRR and multiple on cost figures are calculated on a gross basis, reflects original Syncona Partners capital invested where applicable

[40] Syncona has moved Achilles from the strategic portfolio to being classified as a Syncona investment, further information can be found in the life science portfolio review

Clade[41]	23.2	9.4	0.4	(38.8%)
Other unrealised investments	34.5	51.9	1.5	5.5%
Realised investments	25.9	25.9	1	0.0%
Total	**1,251.1**	**1,762.2**	**1.4**	**20.2%**

Performance since 2016

In 2016, Syncona merged with the Battle Against Cancer Investment Trust (BACIT), becoming a FTSE 250 life science investor and expanding its permanent capital base. Since that time, Syncona's NAV per share has increased from 127.9p to 188.7p, a total return of 6.1% per annum. Using an IRR calculation for the performance of the Syncona life science portfolio over the same period, the portfolio has delivered an IRR of 15.8% and is valued at a 1.3 multiple of its 2016 value.

Approach to disclosing portfolio company information

Our model is to create companies around world-leading science, bringing the commercial vision and strategy, building the team and infrastructure and providing the funding to scale these businesses.

When we create or invest in a portfolio company, or when a portfolio company completes an external financing or other transaction, we may announce that transaction. Our decision on whether (and when) to announce a transaction depends on a number of factors including the commercial preferences of the portfolio company. We would make an announcement where we consider that a transaction is material to our shareholders' understanding of our portfolio, whether as a result of the amount of the commitment, any change in valuation or otherwise.

In addition, our portfolio companies are regularly progressing clinical trials. These trials represent both a significant opportunity and risk for each company, and may be material for Syncona.

In many cases, data from clinical trials is only available at the end of the trial. However, a number of our portfolio companies carry out open label trials, which are clinical studies in which both the researchers and the patients are aware of the drug being given. In some cases, the number of patients in a trial may be relatively small. Data is generated as each patient is dosed with the drug in a trial and is collected over time as results of the treatment are analysed and, in the early stages of these studies, dose-ranging studies are completed. Because of the trial design, clinical data in open label trials is received by our portfolio companies on a frequent basis. Individual data points need to be treated with caution, and it is typically only when all or substantially all of the data from a trial is available and can be analysed that meaningful conclusions can be drawn from that data about the prospect of success or otherwise of the trial.

In particular, it is highly possible that early developments (positive or negative) in a trial can be overtaken by later analysis with further data as the trial progresses.

We would expect to announce our assessment of the results of a trial at the point we conclude on the data available to us that it has succeeded or failed, unless we conclude it is not material to our shareholders' understanding of our portfolio. We would not generally expect to announce our assessment of interim clinical data in an ongoing trial, other than in the situation where the portfolio company announces interim clinical trial data, in which case we will generally issue a simultaneous announcement unless we believe the data is not materially different from previously announced data.

In all cases we will comply with our legal obligations, under the Market Abuse Regulation or otherwise, in determining what information to announce.

Principal risks and uncertainties

[41] Syncona has moved Clade from the strategic portfolio to being classified as a Syncona investment, further information can be found in the life science portfolio review

The principal risks that the Board has identified are set out in the following pages, along with the potential impact, key controls and what we have done during the year to manage the risks. Further information on financial risk management is set out in note 18 to the Consolidated Financial Statements.

Description	Key Controls	What has happened in the year?
Portfolio company risks		
Scientific theses fail We invest in scientific ideas that we believe have the potential to be treatments for a range of diseases, but where there may be no or little substantial evidence of clinical effectiveness or ability to deliver the technology in a commercially viable way. Material capital may need to be invested to resolve these uncertainties. Impacts: • Financial loss and reputational impact from failure of investment.	• Extensive due diligence process, resulting in identification of key risks and clear operational plan to mitigate these. • Tranching of investment to minimise capital exposed until key de-risking steps are completed (particularly fundamental biological uncertainty). Consideration of syndicating investments. • Syncona team works closely with new companies to ensure focus on key risks and high-quality operational build-out. Team members may take operating roles where appropriate. • Robust oversight by Syncona team, including formal review at our quarterly business review and ongoing monitoring through Board roles. • Investment process focused on differentiated science and pathway to clinic and end market. • Early advisory team input brings in specialist advice from the beginning.	• The investment team and the Executive Partner group have been built out further with the addition of John Tsai, Kenneth Galbraith and Roel Bulthuis. This group has provided specialist support and advice throughout the year. • Where required, members of the Executive Partner group and the investment team have taken on secondments at our portfolio companies and/or taken a Board position to provide more hands-on support. • The support provided by Syncona's launch team to our early-stage companies enabled better portfolio company management and gave Syncona increased ability to focus on the scientific theses. • Syncona has continued to seek to de-risk scientific theses in our early-stage companies and to diversify its portfolio while maintaining concentrated ownership and significant influence. • We have prioritised capital towards assets that can deliver clinical data in the near term. Alongside this, Syncona has also worked with its portfolio companies to widen financing syndicates, streamline pipelines and budgets, and explored creative financing solutions and consolidations. • Our investment in a late-stage company, iOnctura, during the year has lower risk of scientific thesis failure due to the stage of development the company is at, however late-stage companies do potentially require higher capital commitments.

Clinical development doesn't deliver a commercially viable product Success for our companies depends on delivering a commercially viable target product profile through clinical development. This can be affected by trial data not showing required efficacy or adverse safety events. It can also be affected by progress of competitors, IP rights, the company's ability to gain regulatory approval for and credibly market the product, potential pricing and ability to manufacture cost-effectively. Impacts: • Material impact on valuation, given capital required to take products through clinical development. • Material harm to one or more individuals, and potential reputational issues for Syncona.	• Build products in areas with significant unmet need and that show substantial and differentiated efficacy. • Focus, oversight and support from the Syncona team on recruiting dedicated specialist clinical teams in each portfolio company. • Investment process considers strength of IP or regulatory exclusivity protection and this is then operationalised by each company. • Investment process considers manufacturing as a key issue from inception of each company, rather than leaving to later stage. • Company business plans seek to have platform technologies to lead to more than one product, in different indications, so that failure in one does not damage all value of company. • At portfolio level, building a portfolio with multiple companies at clinical/later stages, to enable us to absorb failures. • Clinical trials policy requires reporting of significant trial issues to Syncona team and to Board in serious cases. • Business model focuses on unmet needs and differentiated outcomes. • Executive Partner group brings specialist insight early to process to try and identify and de-risk potential issues.	• Portfolio of 13 companies with five at clinical stage, including two late-stage clinical. • 15 clinical data read-outs in the period including positive data published from two late-stage companies, Autolus and Beacon, and initial data from Anaveon for its clinical-stage asset (ANV419) resulting in a pivot to a next generation pre-clinical stage asset (ANV600) as the lead programme. • Autolus achieved an important strategic milestone, filing its Biologics License Application (BLA) with the Food and Drug Administration (FDA) for obe-cel in relapsed/refractory (r/r) adult acute lymphoblastic leukaemia (ALL). • Significant Syncona team involvement in senior clinical hires at our portfolio companies ensured the appropriate clinical development skills were put in place. • Clinical and regulatory experience provided from within team by the Executive Partner group, further strengthened this year with the recruitment of John Tsai. • Syncona team members carefully monitor portfolio company pipeline data and take prompt action when not tracking to target product profile.
Portfolio concentration risk to platform technology The Syncona team brings strong domain experience in cell and gene therapy, and a substantial part of the portfolio is in these areas. Systemic issues (whether scientific, clinical, regulatory or commercial) may emerge that affect these technologies. Impacts: • Material impact on valuation. • Impact on reputation of Syncona resulting from	• Team pays close attention to scientific, clinical, regulatory or commercial developments in the field. • Where there are genuine risks, these are identified and managed through diligence and investment process. • Various risks are identified and concentration is avoided where systemic.	• Ongoing monitoring of developments in cell and gene therapy. • Syncona continues to invest across a wide range of modalities and therefore we adopt multiple approaches alongside increasing portfolio target sizes which reduces the potential impact of the risk.

failure of technology we are strongly identified with.		
Concentration risk and binary outcomes The Company's investment strategy is to invest in a concentrated portfolio of early-stage life science businesses where it is necessary to accept very significant and often binary risks. It is expected that some things will succeed (and potentially result in substantial returns) but others will fail (potentially resulting in substantial loss of value). This is likely to result in a volatile return profile. Impacts: • Loss of shareholder support, potentially reducing ability to raise new equity when required. • Shareholder activism, leading to strategy change that delivers sub-optimal outcomes. • Reputation risk from perceived failure of business model.	• The Board provides strong oversight drawing on a range of relevant experience, including life science, FTSE and investment company expertise. The Board has clear understanding of strategy and risk. • Transparent communication from Syncona team to Board about portfolio opportunities and risks including upside and downside valuation cases. • Clear communication to shareholders of the opportunities and risks of the strategy. Provide information to shareholders about portfolio companies to assist them in understanding portfolio value and risks. • Building diversified portfolio with multiple companies and products at clinical/later stages. Consideration of syndicating investments. • Willing to sell investments at/above fair value, prior to approval, which the cadence of the model naturally diversifies, mitigating binary risks.	• This is an inherent risk due to the nature of the business model, and there has been increased focus on the portfolio view during the year to try to mitigate this risk where possible; as the portfolio matures this risk decreases. • Our focus on allocating capital to clinical opportunities across the portfolio and assets that are approaching clinical entry means there are now more companies approaching key value inflection points, which are potentially binary outcomes. By focusing our capital deployment we aim to mitigate the downside risks and maximise the potential to benefit from value growth. • There is continued focus on clinical-stage opportunities to add to our maturing portfolio and drive nearer-term growth. Two of the new companies invested in during the year are in oncology in different modalities; with one an early-stage opportunity and the second a clinical-stage company. • Autolus achieved an important strategic milestone, filing its Biologics License Application (BLA) with the Food and Drug Administration (FDA) for obe-cel in relapsed/refractory (r/r) adult acute lymphoblastic leukaemia (ALL), reflected in increased value of our holding in Autolus. • Initial data from Anaveon for its clinical-stage asset (ANV419) resulted in a pivot to a next generation pre-clinical stage asset (ANV600) as the lead programme; in addition Novartis decided during the year to discontinue the development of GT005, acquired in the Gyroscope acquisition. Each of these led to a write-down of value.
Access to capital		
Not having capital to invest	• Syncona team monitoring capital allocation on an	• The macroeconomic environment continued to

Early-stage life science businesses are very capital intensive, and delivering our strategy will require us to have access to substantial capital. Impacts: • Dilution of stake in portfolio companies with loss of potential upside. • Loss of control of portfolio companies resulting in poorer strategic execution. • Inability for portfolio companies to deliver their business plans due to financing constraints.	ongoing basis with a three-year forward outlook, with transparent reporting to the Board. • Seek to maintain sufficient liquidity to fund all companies with emerging and definitive data to their next key milestone. • Ongoing consideration of options for managing liquidity and the various sources available, ensuring the appropriate balance between liquidity risk and return on life science investments. • Maximise potential to raise new equity through developing institutional shareholder base. • Ongoing consideration of alternative or additional capital raising structures (e.g. sidecar funds). • Ongoing consideration of syndication strategy at portfolio company level, to maximise value and minimise dilution when external capital is brought in. • Ongoing consideration of potential options to manage liquidity from our life science assets, including exit opportunities.	pose challenges to syndication or raising capital for early-stage companies on the public markets, which led us to increase the likelihood of this risk occurring. However, we see clear signs of change, with greater differentiation based on the stage and progress of each individual portfolio company; we believe that as the markets improve, the risk profile will decrease. We continued to work closely alongside our portfolio companies as they sought to raise capital. • Syncona's strong balance sheet continued to be a key mitigation of this risk and has enabled us to support our portfolio companies, subject to ensuring our capital deployment is focused on assets with the highest potential. • During the year Autolus and Quell each entered into strategic collaborations with BioNTech and AstraZeneca, respectively, demonstrating the potential for creative financing solutions to support our portfolio companies' funding needs. • Syncona has sought to ensure portfolio company budgets are streamlined and focused on delivery of key milestones. • Where appropriate Syncona continues to focus on widening financing syndicates and exploring creative financing options for portfolio companies. • Syncona also continues to evaluate options for alternative or additional capital raising structures (e.g. sidecar funds).
Private/public markets don't value or fund our companies when we wish to access them Our capital allocation strategy includes considering bringing	• Maintain access to significant capital, to reduce risk of being forced to syndicate/forced seller. • Focus, oversight and support from the Syncona team on	• Macroeconomic headwinds have continued to impact sentiment in the biotech sector, with particular impact on public markets

third-party capital into our portfolio companies, at the right stage of development. In addition we may consider exit opportunities either on the public markets or through private sales. Impacts: • Syncona is required to invest further capital, leading to greater exposure to individual companies than desired and less ability to support other companies. • Inability for portfolio companies to deliver their business plans due to financing constraints. • Exit opportunities may be less attractive, with impact on availability of capital. • Reputation risk from failed transactions.	financing plan for each company, with support to the company to develop its financing story at an early stage.	for early-stage biotech companies. • Additional scenario planning and modelling has been implemented during the year to ensure we monitor our ability to invest at a higher than planned level into companies if necessary. • We have provided significant support to our companies which are in the process of or will soon need to be raising capital. • Continuous internal review of the capital landscape and potential sources of capital and the timing of capital required. • Due to the challenging syndication environment experienced throughout the year, there has been increased focus on funding structures, particularly around seed funding and tranching, to manage financing and progression towards de-risking. In addition Syncona has provided convertible loans to some of the portfolio companies to support them to reach milestones which have the potential of enabling capital access and key value inflection points which have the potential of delivering significant NAV growth.
Capital pool losses or illiquidity The capital pool is exposed to the risk of loss or illiquidity. Impacts: • Loss of capital (or reduction in the value of capital due to inflation). • Inability to finance life science investments. • Reputation risk from losses in non-core area. • Counterparty bank or fund fails and we are unable to recover the money held by them.	• Protection against risk and illiquidity are key characteristics; return is a secondary consideration. • Risk parameters monitored monthly by Syncona team, with enhanced review on a quarterly basis. • External adviser (Barnett Waddingham) engaged to carry out quarterly and annual reviews of capital pool against chosen parameters. • Cash balances are held at multiple investment grade or equivalent banks and limited to three months' forward funding requirements.	• Continued active management of the capital pool through the Liquidity Management Committee, reporting on a quarterly basis to the SIML and Syncona Limited Boards, supported by external advisers Barnett Waddingham. • Risk is being managed through a tiered approach to investment, and liquidity and return are managed within defined volatility and concentration limits. • Our external advisers support us in evaluating the markets and providers and funds are spread across multiple banks,

	• Near-term funding is held in UK and US treasuries. • Longer-term funding is held across multiple fund managers with strict investment concentration limits, daily liquidity funds, and either investment grade or strict low volatility limits to minimise credit risk. • Currently higher risk due to strategy to mitigate impact of inflation. Investments made within defined risk volatility limits. Use of external advisers, two fund managers with differentiated strategies, performance reviewed and monitored by the Liquidity Management Committee and external adviser (Barnett Waddingham).	government bonds and two fund managers with differentiated investment strategies. • Consideration is also being given to the structure of the capital pool given the ongoing, challenging macroeconomic landscape.
People		
Reliance on small Syncona team The execution of the Company's strategy is dependent on a small number of key individuals with specialised expertise. This is at risk if the team does not succeed in retaining skilled personnel or is unable to recruit new personnel with relevant skills. Impacts: • Poorer oversight of portfolio companies, risk of loss of value from poor strategic/operational decisions. • Less ability to drive strategies in portfolio companies. • Insufficient resource to take advantage of investment opportunities. • Loss of licence to operate if insufficient resource or processes mean we fail to meet stakeholder expectations.	• Market benchmarking of remuneration for employees. • Provision of long-term incentive scheme to incentivise and retain employees. • Ongoing recruitment to strengthen team and deepen resilience. • Focus on investment team development to provide internal succession from next tier of leaders, with process supported by Leadership Team. • Process development within corporate functions to reduce single point risks. • Building high-quality teams within portfolio companies that can operate at a high strategic level. • Dynamic and simplified governance framework to support transformational change and ongoing business requirements.	• Completion of the leadership transition has resulted in us decreasing this risk during the year. • The investment team and the Executive Partner group have been further strengthened with the recruitment of John Tsai, Kenneth Galbraith and Roel Bulthuis. This has added to the skills, experience and executional bandwidth already brought to Syncona through the Executive Partner group and advisers. • The changes made in the previous year to both the investment team and Leadership Team are now embedded in the organisation, providing us with a stronger team, stronger processes and improved culture. Significant emphasis on developing and coaching our next generation investors and launching a dedicated talent programme.
Systems and controls failures We rely on a series of systems and controls to ensure proper control of assets, record-keeping	• Systems and control procedures are reviewed regularly by the Syncona team, with input from	• Ongoing compliance reviews and review of key processes performed during the year.

and reporting, and operation of Syncona's business. Impacts: • Risk of loss of assets. • Inability to properly oversee Syncona team. • Inaccurate reporting to shareholders. • Syncona and its portfolio companies may be subjected to phishing and ransomware attacks, data leakage and hacking. • Syncona team unable to carry out its functions properly. • Breach of legal or regulatory requirements. • Reputation risk, loss of confidence from shareholders and other stakeholders.	specialist external advisers where appropriate. • Certain systems have been outsourced to the Administrator who provides independent assurance of its own systems. • Annual review of the effectiveness of systems and controls carried out by the Audit Committee. • Anti-fraud, bribery and corruption controls. • Anti-money laundering controls. • Whistleblowing arrangements. • IT policies and procedures. • Back-up and disaster recovery procedures and testing. • IT and cyber security monitoring and control framework, and regular penetration tests.	• Implementation of organisational and governance changes to help simplify processes and decision-making, driving increased effectiveness and efficiency, and helping to mitigate and reduce risk. • Continued programme of phishing and penetration testing.
Unable to build high-quality team/team culture Portfolio companies are reliant on recruiting highly specialised, high-quality employees to deliver their strategies. This can be challenging given a limited pool of people with the necessary skills in the UK/Europe. In addition, these are fast-growing companies and establishing a high-quality culture from the outset is key. Impacts: • Ultimately, failure to deliver key elements of operational plans resulting in material loss of value.	• Seek to build high-quality teams in portfolio companies. This can begin before an investment is made. • Ensure executive team aims to build a high-quality culture from the outset, and monitor and support its effectiveness. • Build strong portfolio company boards (including representatives from our team and experienced non-execs) to provide effective oversight and support. • Support from our team, including taking operational roles where necessary, and facilitating access to support from across the portfolio where appropriate, or external consultant resource from our networks.	• Advice and guidance provided to the portfolio companies from within Syncona by the Executive Partner group and investment team, which were further strengthened this year with the recruitment of John Tsai, Kenneth Galbraith and Roel Bulthuis. • The strengthening of the Executive Partner group and investment team differentiates the portfolio companies and should help attract key talent, thereby reducing the likelihood of this risk. • Significant Syncona team involvement in senior hires at portfolio companies.
Unable to execute business plans Portfolio company business plans may be impacted by a number of external factors, including access to patients, delivery by suppliers and the wider business environment (including factors such as COVID-19). Impacts: • Ultimately, failure to deliver key elements of operational	• Seek to build high-quality teams in portfolio companies. This can begin before an investment is made. Where possible these should include resilience to deal with unexpected external factors, though companies will also be focused on maximising value from capital invested. • Seek to maintain capital buffers to cope with unanticipated issues before cash out.	• Executive Partner group and investment team have been built out further with the addition of John Tsai, Kenneth Galbraith and Roel Bulthuis. This group has provided specialist support and advice throughout the year. Where required, members of the Executive Partner group and the investment team will take on secondments at our portfolio companies and/or

plans resulting in material loss of value.	• Oversight of key external factors/relationships that are important to delivering business plan. • Sharing of knowledge (where appropriate) across portfolio to support companies in managing external factors. • Syncona involvement in setting strategy and early business plans. Board representation and significant shareholding allows some influence on management execution.	take a Board position to provide more hands-on support. • Additional scenario planning and modelling has been implemented during the year to ensure we monitor our ability to invest at a higher than planned level into companies if necessary. • Continuous internal review of the capital landscape and potential sources of capital and the timing of capital required. Increased focus on strategic syndication to secure long-term access to capital.
Macroeconomic environment		
Macroeconomic environment has a negative impact on sentiment for portfolio companies and Syncona business model The challenging macroeconomic environment results in investors being more risk averse, impacting their appetite to invest in early-stage biotech companies. Impacts: • Investors are focusing on existing portfolios rather than investing in early-stage biotech companies, therefore Syncona may be required to invest further capital, leading to greater exposure to individual companies than desired and less ability to support other companies. • Inability for portfolio companies to deliver their business plans due to financing constraints. • For Syncona, exit opportunities may be less attractive, with impact on availability of capital to fund portfolio companies. • A reduction in demand for the Company's shares would impact the performance of the Company's share price. • Failure to deliver strategy. • Shareholder activism, leading to strategy change that delivers sub-optimal outcomes.	• Syncona team monitoring capital allocation on an ongoing basis, with transparent reporting to the Board. • Seek to maintain sufficient liquidity to fund all companies with emerging data, or later, to their next key milestone. • Maximise potential to raise new equity through developing institutional shareholder base. • Ongoing consideration of alternative or additional capital raising structures (e.g. sidecar funds, use of debt). • Ongoing consideration of syndication strategy at portfolio company level, to maximise value and minimise dilution when external capital is brought in. • Ongoing consideration of potential options to manage liquidity from our life science assets, including exit opportunities. • Seek to maintain capital buffers to cope with unanticipated issues before cash out.	• We are concentrating capital allocation towards clinical opportunities across the portfolio, maintaining a disciplined approach against a challenging market backdrop. • We consider all options with regards to future financing, including exit options. We have increased our engagement with key pharma partners. • Additional scenario planning and modelling has been implemented during the year to ensure we monitor our ability to invest at a higher than planned level into companies if necessary. • Continuous internal review of the capital landscape and potential sources of capital and the timing of capital required. • We have continued to have increased engagement with investors and analysts. • Continued active management of the capital pool. This involves managing risk through a tiered approach to investment, and managing liquidity and return, within defined volatility and concentration limits. External advisers are used to evaluate the markets

		and providers and funds are currently spread across multiple banks, government bonds, and two fund managers with differentiated diversified investment strategies. • Macroeconomic and fund performance is reviewed regularly by the Syncona team and the Liquidity Management Committee and reported quarterly to the SIML and Syncona Limited Boards.

Responsibility Statement

The Directors' responsibility statement below has been prepared in conjunction with, and is extracted from, the Company's Annual Report and Accounts for the year ended 31 March 2024 ("2024 Annual Report"), whereas this announcement contains extracts from the 2024 Annual Report. The responsibility statement is repeated here solely for the purpose of complying with DTR 6.3.5. These responsibilities are for the full 2024 Annual Report and not the extracted information presented in this announcement or otherwise.

The Directors of the Company are:

Melanie Gee, Chair

Julie Cherrington, Non-Executive Director

Cristina Csimma, Non-Executive Director

Virginia Holmes, Non-Executive Director

Rob Hutchinson, Non-Executive Director

Kemal Malik, Non-Executive Director

Gian Piero Reverberi, Non-Executive Director

The Directors confirm to the best of our knowledge:

the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole;

the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company’s position and performance, business model and strategy; and

the financial statements include information and details in the Chair’s statement, the Strategic Report, the Corporate Governance report, the Directors’ report and the notes to the Consolidated Financial Statements, which provide a fair review of the information required by:

a) DTR 4.1.8 of the Disclosure and Transparency Rules, being a fair review of the Company business and a description of the principal risks and uncertainties facing the Company; and

b) DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events that have occurred since the end of the financial year and the likely future development of the Company.

SYNCONA LIMITED

UNAUDITED GROUP PORTFOLIO STATEMENT

As at 31 March 2024

	2024		2023	
	Fair value £'000	% of Group NAV £'000	Fair value £'000	% of Group NAV £'000
Life science portfolio				
Life science companies				
Autolus Therapeutics plc	169,469	13.7	50,004	4.0
Spur Therapeutics Limited[(1)]	135,627	10.9	72,303	5.7
Quell Therapeutics Limited	84,745	6.8	86,703	6.9
Beacon Therapeutics Holdings Limited	80,257	6.5	60,000	4.8
Resolution Therapeutics Limited	49,974	4.0	23,027	1.8
Purespring Therapeutics Limited	45,257	3.7	35,100	2.8
OMass Therapeutics Limited	43,712	3.5	43,712	3.5
Anaveon AG	35,713	2.9	64,203	5.1
iOnctura B.V.	25,646	2.1	–	–
Biomodal Limited	18,055	1.5	18,472	1.5
Companies of less than 1% of the NAV	47,167	3.8	47,972	3.8
Total life science companies	735,622	59.4	501,496	39.9
CRT Pioneer Fund	33,874	2.7	32,727	2.6
Deferred consideration	14,362	1.2	15,882	1.3
Milestone payments	2,248	0.2	54,516	4.3
Total life science portfolio[(2)]	786,106	63.5	604,621	48.1
Capital pool investments				
UK and US treasury bills	163,373	13.2	284,960	22.7
Credit investment funds	112,015	9.0	101,566	8.1
Multi asset funds	70,500	5.7	160,036	12.8
Legacy funds	28,778	2.3	33,001	2.7
Total capital pool investments[(3)]	374,666	30.2	579,563	46.3
Other net assets				
Cash and cash equivalents[(4)]	104,819	8.5	82,818	6.6
Charitable donations	(4,353)	(0.4)	(4,634)	(0.4)
Other assets and liabilities	(22,360)	(1.8)	(7,713)	(0.6)
Total other net assets	78,106	6.3	70,471	5.6
Total capital pool	452,772	36.5	650,034	51.9
Total NAV of the Group	1,238,878	100.0	1,254,655	100.0

(1) Spur Therapeutics Limited (previously Bidco 1354 Limited), a new entity in the year which acquired Freeline Therapeutics Plc and SwanBio Therapeutics Limited. The valuation of Spur Therapeutics Limited reflects the combined valuation of these companies.

(2) The life science portfolio of £786,106,202 (31 March 2023: £604,619,696) consists of life science investments totalling £735,622,223 (31 March 2023: £501,495,018), deferred consideration of £14,361,660 (31 March 2023: £15,882,241) and milestone payments of £2,248,059 (31 March 2023: £54,515,861) held by Syncona Holdings Limited and CRT Pioneer Fund of £33,874,260 (31 March 2023: £32,726,576) held by Syncona Investments LP Incorporated.

(3) The capital pool investments of £374,665,784 (31 March 2023: £579,563,640) are held by Syncona Investments LP Incorporated.

(4) Cash amounting to £260,826 (31 March 2023: £11,402) is held by Syncona Limited. The remaining £104,558,141 (31 March 2023: £82,806,203) is held by its subsidiaries other than portfolio companies ("Syncona Group Companies"). Cash held by Syncona Group Companies other than Syncona GP Limited is not shown in Syncona Limited's Consolidated Statement of Financial Position since it is included within financial assets at fair value through profit or loss.

Assets held by the Group are held primarily through Syncona Holdings Limited and Syncona Investments LP Incorporated. See note 1 for a description of these entities.

The totals in the above table may differ slightly to the audited financial statements due to rounding differences.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Investment income							
Other income	6	49,138	–	49,138	27,495	–	27,495
Total investment income		49,138	–	49,138	27,495	–	27,495
Net losses on financial assets at fair value through profit or loss	7	–	(18,389)	(18,389)	–	(67,286)	(67,286)
Total losses		–	(18,389)	(18,389)	–	(67,286)	(67,286)
Expenses							
Charitable donations	8	4,353	–	4,353	4,634	–	4,634
General expenses	9	22,608	–	22,608	11,593	–	11,593
Total expenses		26,961	–	26,961	16,227	–	16,227
Profit/(loss) for the year		22,177	(18,389)	3,788	11,268	(67,286)	(56,018)
Profit/(loss) after tax		22,177	(18,389)	3,788	11,268	(67,286)	(56,018)
Earnings/(loss) per Ordinary Share	14	3.33p	(2.76)p	0.57p	1.69p	(10.07)p	(8.38)p
Earnings/(loss) per Diluted Share	14	3.33p	(2.76)p	0.57p	1.69p	(10.07)p	(8.38)p

The total columns of this statement represent the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS Accounting Standards adopted by the European Union (IFRS).

The profit/(loss) for the year is equivalent to the "total comprehensive income" as defined by International Accounting Standards (IAS) 1 "Presentation of Financial Statements". There is no other comprehensive income as defined by IFRS.

All the items in the above statement are derived from continuing operations.

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Notes	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	10	1,241,698	1,258,258
Current assets			
Cash and cash equivalents		261	11
Trade and other receivables	11	9,138	10,143
Total assets		1,251,097	1,268,412
LIABILITIES AND EQUITY			
Non-current liabilities			
Share based payments provision	12	2,861	–

Current liabilities			
Share based payments provision	12	1,760	7,296
Accrued expense and payables	13	7,598	6,461
Total liabilities		12,219	13,757
EQUITY			
Share capital	14	767,999	767,999
Capital reserves	14	444,774	463,163
Revenue reserves		46,328	23,493
Treasury shares	14	(20,223)	–
Total equity		1,238,878	1,254,655
Total liabilities and equity		1,251,097	1,268,412
Total net assets attributable to holders of Ordinary Shares		1,238,878	1,254,655
Number of Ordinary Shares in issue	14	655,335,586	669,329,324
Net assets attributable to holders of Ordinary Shares (per share)	14	£1.89	£1.87
Diluted NAV (per share)	14	£1.89	£1.86

The audited Consolidated Financial Statements were approved on 19 June 2024 and signed on behalf of the Board of Directors by:

Melanie Gee	Rob Hutchinson
Chair	Non-Executive Director
Syncona Limited	Syncona Limited

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES
For the year ended 31 March 2024

	Share capital £'000	Capital reserves £'000	Revenue reserves £'000	Treasury shares £'000	Total £'000
As at 31 March 2022	**767,999**	**530,449**	**11,393**	**–**	**1,309,841**
Total comprehensive loss for the year	–	(67,286)	11,268	–	(56,018)
Transactions with shareholders:					
Share based payments	–	–	832	–	832
As at 31 March 2023	**767,999**	**463,163**	**23,493**	**–**	**1,254,655**
Total comprehensive income for the year	–	(18,389)	22,177	–	3,788
Acquisition of treasury shares	–	–	–	(20,223)	(20,223)
Transactions with shareholders:					
Share based payments	–	–	658	–	658
As at 31 March 2024	**767,999**	**444,774**	**46,328**	**(20,223)**	**1,238,878**

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit/(loss) for the year		3,788	(56,018)
Adjusted for:			
Losses on financial assets at fair value through profit or loss	7	18,389	67,286
Non-cash movement in share based payment provision		(3,846)	(12,031)
Operating cash flows before movements in working capital		18,331	(763)
Decrease/(increase) in trade and other receivables		1,005	(265)
Increase in accrued expense and payables		1,137	763
Net cash generated from/(used in) operating activities		20,473	(265)
Cash flows from financing activities			
Acquisition of treasury shares	14	(20,223)	–
Net cash used in financing activities		(20,223)	–
Net increase/(decrease) in cash and cash equivalents		250	(265)
Cash and cash equivalents at beginning of the year		11	276
Cash and cash equivalents at end of the year		261	11

Cash held by the Company and Syncona Group Companies is disclosed in the Group Portfolio Statement.

The accompanying notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2024

1. GENERAL INFORMATION

Syncona Limited (the "Company") is incorporated in Guernsey as a registered closed-ended investment company. The Company's Ordinary Shares were listed on the premium segment of the London Stock Exchange on 26 October 2012 when it commenced its business.

The Company makes its life science investments through Syncona Holdings Limited (the "Holding Company"), a subsidiary of the Company. The Company maintains its capital pool through Syncona Investments LP Incorporated (the "Partnership"), in which the Company is the sole limited partner. The general partner of the Partnership is Syncona GP Limited (the "General Partner"), a wholly-owned subsidiary of the Company. Syncona Limited and Syncona GP Limited are collectively referred to as the "Group".

Syncona Investment Management Limited ("SIML"), a subsidiary, was appointed as the Company's Alternative Investment Fund Manager ("Investment Manager").

The investment objective and policy is set out in the Directors' report.

2. ACCOUNTING POLICIES

The Group's investments in life science companies, other investments within the life science portfolio and capital pool investments are held, respectively, through the Holding Company and the Partnership, which are measured at fair value through profit or loss in accordance with the requirement of IFRS 10 "Consolidated Financial Statements".

Statement of compliance
The Consolidated Financial Statements which give a true and fair view are prepared in accordance with IFRS as adopted by the European Union and are in compliance with The Companies (Guernsey) Law, 2008. The Consolidated Financial Statements were approved by the Board and authorised for issue on 19 June 2024.

Information reported to the Board (the Chief Operating Decision Maker (CODM)) for the purpose of allocating resources and monitoring performance of the Group's overall strategy to found, build and fund companies in innovative areas of healthcare, consists of financial information reported at the Group level. The capital pool is fundamental to the delivery of the Group's strategy and performance is reviewed by the CODM only to the extent this enables the allocation of those resources to support the Group's investment in life science companies. There are no reconciling items between the results contained within this information and amounts reported in the financial statements. IFRS requires operating segments to be identified on the basis of the internal financial reports that are provided to the CODM, and as such the Directors present the results of the Group as a single operating segment.

Basis of preparation
The Consolidated Financial Statements have been prepared under the historical cost basis, except for investments and share based payment provision held at fair value through profit or loss, which have been measured at fair value.

The financial information set out in this announcement does not constitute the Group's statutory accounts for the years ended 31 March 2024 and 31 March 2023 but is derived from those accounts. The auditors have reported on those accounts and provided an unqualified opinion, including key audit matters within their audit report. It did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under The Companies (Guernsey) Law, 2008. A copy is available upon written request from the Company's registered office. The auditors' reports do not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of the auditors' reports together with the accompanying financial information from the issuer's registered office.

Functional currency
The Group's functional currency is Sterling ("£" or "GBP"). £ is the currency in which the Group measures its performance and reports its results. Ordinary Shares are denominated in £ and any dividends declared are paid in £. The Directors believe that £ best represents the functional currency, although the Group has significant exposure to other currencies as described in note 18.

Going concern
The financial statements are prepared on a going concern basis. The net assets held by the Group and within investment entities controlled by the Group currently consist of securities and cash amounting to £1,238.9 million (31 March 2023: £1,254.7 million) of which £435.8 million (31 March 2023: £629.4 million) are readily realisable within three months in normal market conditions, and liabilities including uncalled commitments to underlying investments and funds amounting to £95.2 million (31 March 2023: £89.2 million).

Given the Group's capital pool of £452.8 million (31 March 2023: £650.1 million) the Directors consider that the Group has adequate financial resources to continue its operations, including existing commitments to its investments and planned additional capital expenditure for 12 months following the approval of the financial statements. The Directors also continue to monitor the ever changing macro environment on the Group. Hence, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Basis of consolidation
The Group's Consolidated Financial Statements consist of the financial records of the Company and the General Partner.

The results of the General Partner during the year are consolidated in the Consolidated Statement of Comprehensive Income from the effective date of incorporation and are consolidated in full. The financial statements of the General Partner are prepared in accordance with United Kingdom (UK) Accounting Standards under Financial Reporting Standard 101 "Reduced Disclosure Framework". Where necessary, adjustments are made to the financial statements of the General Partner to bring the accounting policies used in line with those used by the Group. During the years ended 31 March 2024 and 31 March 2023, no such adjustments have been made. All intra-group transactions, balances and expenses are eliminated on consolidation.

Entities that meet the definition of an investment entity under IFRS 10 are held at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments". The Company, the Partnership and the Holding Company meet the definition of investment entities. The General Partner does not meet the definition of an investment entity due to providing investment management related services to the Group, and is therefore consolidated.

New standards adopted by the Group
There are no standards, amendments to standards or interpretations that are effective for the annual period ending on 31 March 2024 that have a material effect on the Group's Consolidated Financial Statements.

Standards, amendments and interpretations not yet effective
There are a number of other standards, amendments and interpretation that are not yet effective and are not relevant to the Group as listed below. These are not expected to have a material impact on the Group's Consolidated Financial Statements.

- Amendments to IFRS 17: Insurance Contracts;
- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IAS 1: Non-current Liabilities with Covenants;
- Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors;
- Amendments to IAS 12: Income Taxes; and
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Financial instruments
Financial assets are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are recognised at fair value less transaction costs which are recognised in the Statement of Comprehensive Income.

On subsequent measurement, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

Financial assets measured at amortised cost
Financial assets are measured at amortised cost if held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group includes in this category short-term non-financing receivables including trade and other receivables.

As at 31 March 2024 and 31 March 2023, there are no financial assets measured at fair value through other comprehensive income.

Financial liabilities measured at amortised cost
This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Group includes in this category short-term payables.

Financial assets at fair value through profit or loss
The Group's investments in life science companies and capital pool investments are held through the Holding Company and the Partnership, respectively, which are measured at fair value through profit or loss in accordance with the requirement of IFRS 10. The Net Asset Value (NAV) of the Holding Company and the Partnership represent the Group's assessment of the fair value of its directly held assets (see note 10) and have been determined on the basis of the policies adopted for underlying investments described below.

Fair value – investments in subsidiaries
The Group classified its direct investments in subsidiaries as investments at fair value through profit or loss in accordance with the requirements under IFRS 10.

Fair value – life science portfolio – life science investments
The Group's investments in life science companies are, in the case of quoted companies, valued based on bid prices in an active market as at the reporting date.

In the case of the Group's investments in unlisted companies, the fair value is determined in accordance with the International Private Equity and Venture Capital (IPEV) valuation guidelines. These may include the use of recent arm's length transactions, discounted cash flow (DCF) analysis and earnings multiples as valuation techniques. Wherever possible, the Group uses valuation techniques which make maximum use of market-based inputs.

The following considerations are used when calculating the fair value of unlisted life science companies:

- Cost at the transaction date is the primary input when determining fair value. Similarly, where there has been a recent investment in the unlisted company by third parties, the price of recent investment (PRI) is the primary input when determining fair value, although further judgement may be required to the extent that the instrument in which the recent investment was made is different from the instrument held by the Group.
- The length of period for which it remains appropriate to consider cost or the PRI as the primary input when determining fair value depends on the achievement of target milestones of the investment at the time of acquisition. An analysis of such milestones is undertaken at each valuation point and considers changes in the key company indicators, changes to the external environment, suitability of the milestones and the current facts and circumstances. Where this calibration process shows there is objective evidence that an investment has been impaired or increased in value since the investment was made, such as observable data suggesting a change in the financial, technical, or commercial performance of the underlying investment, the Group carries out an enhanced assessment which may use one or more of the alternative methodologies set out in the IPEV Valuation Guidelines.
- DCF involves estimating the fair value of an investment by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business. Given the significant uncertainties involved with producing reliable cash flow forecasts for seed, start-up and early-stage companies, the DCF methodology will more commonly be used in the event that a life science company is in the final stages of clinical testing prior to regulatory approval or has filed for regulatory approval. No life science investments were valued on a DCF basis as at 31 March 2024 and 31 March 2023.

Fair value – life science portfolio – milestone payments
Milestone payments which form part of the total consideration resulting from a business combination and are dependent on the meeting of future conditions are initially recognised at fair value through profit or loss. Subsequent measurement of milestone payments is at fair value through profit or loss. When estimating the fair value of the milestone payments the present value of expected future cash flows is calculated based on the known future cash flows and an estimate of the likelihood of meeting the stated conditions using publicly available information where possible.

Fair value – life science portfolio – deferred consideration
Financial assets resulting from an investment purchase entitling the Group to future income that has a price which is dependent on a non-financial variable not specific to a party in the contract (“deferred consideration”) is measured on initial recognition at fair value. Subsequent measurement of the financial asset is at fair value through profit or loss. When estimating the fair value of the financial asset the present value of expected future cash flows is calculated using an income-based valuation approach and an estimate of the likelihood of meeting the stated conditions using publicly available information where possible.

Fair value – capital pool investments in underlying funds
The Group’s capital pool investments in underlying funds are ordinarily valued using the values (whether final or estimated) as advised to the Investment Manager by the managers, general partners or administrators of the relevant underlying fund. The valuation date of such investments may not always be coterminous with the valuation dates of the Company and in such cases the valuation of the investments as at the last valuation date is used. The NAV reported by the administrator may be unaudited and, in some cases, the notified asset values are based upon estimates. The Group or the Investment Manager may depart from this policy where it is considered such valuation is inappropriate and may, at its discretion, permit any other valuation method to be used if it considers that such valuation method better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice.

Forward currency contracts
Forward foreign currency contracts are derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by forward rates in active currency markets. Whilst the Group currently holds no forward currency contracts, forward currency contracts are held by the Partnership and Syncona Portfolio Limited from time to time for hedging purposes only.

Other financial liabilities
Other financial liabilities include all other financial liabilities other than financial liabilities at fair value through profit or loss. The Group’s other financial liabilities include payables and share based payments. The carrying amounts shown in the Consolidated Statement of Financial Position approximate the fair values due to the short-term nature of these other financial liabilities.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise assets and settle the liabilities simultaneously.

Derecognition of financial instruments
A financial asset is derecognised when: (a) the rights to receive cash flows from the financial asset have expired; (b) the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through arrangement"; or (c) the Group has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

A financial liability is derecognised when the contractual obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets
IFRS 9 requires the Group to record expected credit losses (ECLs) on all financial assets held at amortised cost, all loans and trade receivables, either on a 12-month or lifetime basis. The Group only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has applied the simplified approach to recognise lifetime ECLs permitted by IFRS 9.

Commitments
Through its investment in the Holding Company and the Partnership, the Group has outstanding commitments to investments that are not recognised in the Consolidated Financial Statements. Refer to note 20 for further details.

Share based payments
Certain employees of SIML participate in equity incentive arrangements under which they receive awards of Management Equity Shares (MES) in the Holding Company above a base line value set out at the date of award. The MES are not entitled to dividends but any dividends or capital value realised by the Group in relation to the Holding Company are taken into account in determining the value of the MES. MES vest if an individual remains in employment for the applicable vesting period. 25% of an individual MES become realisable each year, they have the right to sell these realisable shares to the Company and the Company is obligated to purchase said shares. The price is determined using a formula stipulated in the Articles of Association ("Articles") of the Holding Company.

The terms of the equity incentive arrangements provide that half of the proceeds (net of expected taxes) are settled in Company shares which must be held for at least 12 months, with the balance paid in cash. Consequently, the arrangements are deemed to be partly an equity-settled share based payment scheme and partly a cash-settled share based payment scheme under IFRS 2 "Share Based Payments" in the Consolidated Financial Statements of the Group.

The fair value of the MES at the time of the initial award is determined in accordance with IFRS 2 and taking into account the particular rights attached to the MES as described in the Articles. The fair value is measured using a probability-weighted expected returns methodology, which is an appropriate future-oriented approach when considering the fair value of shares that have no intrinsic value at the time of issue. The approach replicates that of a binomial option pricing model. The key assumptions used within the model are: NAV progression; discount rates ranging from 13% to 28% (31 March 2023: 12% to 27%); and probabilities of success that result in an average cumulative probability of success across the life science portfolio of 18% (31 March 2023: 26%). In this case, the expected future payout to the MES was made by reference to the expected evolution of the Holding Company's value, including expected dividends and other realisations which is then compared to the base line value. This is then discounted into present value terms adopting an appropriate discount rate. The "capital asset pricing methodology" was used when considering an appropriate discount rate to apply to the payout expected to accrue to the MES on realisation.

When MES are awarded, a share based payment charge is recognised in the Consolidated Statement of Comprehensive Income of the employing company, SIML, equal to the fair value at that date, spread over the vesting period. In its own financial statements, the Company records a capital contribution to the Holding Company with an amount credited to the share based payments reserve in respect of the equity-settled proportion and to liabilities in respect of the cash-settled proportion (see below).

When the Company issues new shares to acquire the MES, the fair value of the MES is credited to share capital.

To the extent that the Company expects to pay cash to acquire the MES, the fair value of the MES is recognised as a liability in the Company's Consolidated Statement of Financial Position. The fair value is established at each statement of financial position date and recognised in the Consolidated Statement of Comprehensive Income throughout the vesting period, based on the proportion vested at each Statement of Financial Position date and adjusted to reflect subsequent movements in fair value up to the date of acquisition of the MES by the Company.

The fair value paid to acquire MES (whether in shares in the Company or cash) will result in an increase in the carrying value of the Holding Company by the Company.

The movement in the share based payment provision of the Group is a non-cash fair value movement to the reported liability, rather than a working capital balance movement. This movement is recognised directly in the Consolidated Statement of Comprehensive Income.

Treasury shares
Treasury shares are ordinary shares of the Company held by the Company and presented as a reduction of equity, at the consideration paid, including any incremental attributable costs. The ordinary shares are purchased from the London Stock Exchange at market value.

Income
All income is accounted for in accordance with IFRS 15 "Revenue from Contracts with Customers" and is recognised in the Consolidated Statement of Comprehensive Income when the right to receive is established. Income is further discussed in note 6.

Expenses
Expenses are accounted for on accruals basis. Expenses incurred on the acquisition of investments at fair value through profit or loss are presented within the Capital column of the Consolidated Statement of Comprehensive Income. All other expenses are presented within the Revenue column of the Consolidated Statement of Comprehensive Income. Charitable donations are accounted for on accruals basis and are recognised in the Consolidated Statement of Comprehensive Income. Expenses directly attributable to the issuance of shares are charged against capital and recognised in the Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares.

Cash and cash equivalents
Cash comprises cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Translation of foreign currency
Items included in the Group's Consolidated Financial Statements are measured in £, which is the currency of the primary economic environment where the Group operates. The Group's assets are primarily denominated in £.

Transactions in currencies other than £ are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Consolidated Statement of Financial Position are retranslated into £ at the rate of exchange ruling at that date.

Foreign exchange differences arising on retranslation are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate of exchange at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated into £ at foreign exchange rates ruling at the date the fair value was determined.

Presentation of the Consolidated Statement of Comprehensive Income
In order to better reflect the activities of an investment company, supplementary information which analyses the Consolidated Statement of Comprehensive Income and reserves between items of a revenue and capital nature has been presented alongside the Consolidated Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's Consolidated Financial Statements requires judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the reporting date. However, uncertainties about these assumptions and estimates, in particular relating to underlying investments of private equity investments and the life science investments could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Critical accounting judgements
In the process of applying the Group's accounting policies, the following judgements have been made, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Fair value – life science portfolio
In the case of the Group's investments in unlisted companies, the fair value is determined in accordance with the IPEV Valuation Guidelines. These include the use of recent arm's length transactions, DCF analysis and earnings multiples. Wherever possible, the Group uses valuation techniques which make maximum use of market-based inputs.

In most cases, where the Group is the sole institutional investor and/or until such time as substantial clinical data has been generated, the primary valuation input is Cost or PRI, subject to adequate consideration being given to current facts and circumstances. This includes whether there is objective evidence that suggests the investment has been impaired or increased in value due to observable data, or technical or commercial performance.

Where considered appropriate, once substantial clinical data has been generated the Group will use input from independent valuation advisers to assist in the determination of fair value.

The key judgement relates to determining whether a Cost or PRI (Market) based approach is the most appropriate for determining fair value of the Group's investments in unlisted companies. In making this judgement, the Group highlights that the majority of its investments are early-stage businesses, typically with products in the discovery stage of drug development and pre-revenue generation. As a result, it considers that the determination of fair value should be based on what a market participant buyer would pay to acquire or develop a substitute asset with comparable scientific or commercial progression, adjusted for obsolescence (i.e. its current replacement cost). This technique is applied until such time that the life science investment is at a stage in its life cycle where cash flow forecasts are more predictable, thus using an income-based approach provides a more reliable estimate of fair value.

However there are also other methodologies that can be used to determine the fair value of investments in private companies including the use of the DCF methodology. It is possible that the use of an alternative valuation methodology would result in a different fair value than that recorded by the Group.

When assessing the judgement, the Group's determination of the fair values of certain investments took into consideration multiple sources including management and publicly available information and publications, as well as input from an independent review by L.E.K. Consulting LLP (L.E.K.) in respect of Syncona's valuation of the following investments:

- Resolution Therapeutics Limited
- Anaveon AG
- Freeline Therapeutics Plc (now Spur Therapeutics Limited)
- SwanBio Therapeutics Limited (now Spur Therapeutics Limited)
- Beacon Therapeutics Holdings Limited
- Quell Therapeutics Limited
- OMass Therapeutics Limited
- Purespring Therapeutics Limited
- CRT Pioneer Fund

As with any review of investments these can only be considered in the context of the limited procedures and agreed scope defining such review and are subject to assumptions which may be forward looking in nature and subjective judgements. Upon completion of such limited agreed procedures, L.E.K. estimated an independent range of fair values of those investments subjected to the limited procedures. In making its determination of fair value Syncona considered the review as one of multiple inputs. The limited procedures were undertaken within the agreed scope and limited by the information reviewed which did not involve an audit, review, compilation or any other form of verification, examination or attestation under generally accepted auditing standards and was based on the review of multiple defined sources. SIML is responsible for

determining the fair value of the investments, and the agreed limited procedures in the review performed to assist Syncona in its determination are only one element of, and are supplementary to, the inquiries and procedures that SIML is required to undertake to determine the fair value of the said investments for which Management is ultimately responsible.

Key sources of estimation uncertainty
The Group's investments consist of its investments in the Holding Company and the Partnership, both of which are classified at fair value through profit or loss and are valued accordingly, as disclosed in note 2.

The key sources of estimation uncertainty are the valuation of the Holding Company's investments in privately held life science companies, the Partnership's private equity investments and investment in the CRT Pioneer Fund, and the valuation of the share based payment liability.

The unquoted investments within the life science portfolio are very illiquid. Many of the companies are early stage investments and privately owned. Accordingly, a market value can be difficult to determine. The primary inputs used by the Company to determine the fair value of investments in privately held life science companies are the cost of the capital invested and PRI, adjusted to reflect the achievement or otherwise of milestones or other factors. The accounting policy for all investments is described in note 2 and the fair value of all investments is described in note 19.

In determining a suitable range to sensitise the fair value of the unlisted life science portfolio, Management note the progress towards and achievement of core milestones as well as underlying company indicators being a key source of estimation uncertainty. Such activities and resulting data emanating from the life science companies can be the key trigger for fair value changes and typically involve financing events which crystallise value at those points in time. The range of +/-12% (31 March 2023: +/-10%) identified by Management reflects their estimate of the range of reasonably possible valuations over the next financial year, taking into account the position of the portfolio as a whole. Key technical milestones considered by Management and that typically trigger value enhancement (or deterioration if not achieved) include the generation of substantial clinical data.

As at the year end, none (31 March 2023: none) of the Partnership's underlying investments have imposed restrictions on redemptions. However, underlying managers often have the right to impose such restrictions.

The Directors believe it remains appropriate to estimate their fair values based on NAV as reported by the administrators of the relevant investments.

Where investments held by the Partnership can be subscribed to, the Directors believe that such NAV represents fair value because subscriptions and redemptions in the underlying investments occur at these prices at the Consolidated Statement of Financial Position date, where permitted.

4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company meets the definition of an investment entity in accordance with IFRS 10. Therefore, with the exception of the General Partner, the Company does not consolidate its subsidiaries and indirect associates, but rather recognises them as financial assets at fair value through profit or loss.

Direct interests in subsidiaries

Subsidiary	Principal place of business	Principal activity	2024 % interest[1]	2023 % interest[1]
Syncona GP Limited	Guernsey	General Partner	100%	100%
Syncona Holdings Limited	Guernsey	Portfolio management	100%	100%
Syncona Investments LP Incorporated	Guernsey	Portfolio management	100%	100%

[1] Based on undiluted issued share capital and excluding the MES issued by Syncona Holdings Limited (see note 12).

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company.

Indirect interests in subsidiaries and associates

Indirect subsidiaries	Principal place of business	Immediate parent	Principal activity	2024 % interest[1]
Syncona Discovery Limited	UK	Syncona Investments LP Inc	Portfolio management	100%
Syncona Portfolio Limited	Guernsey	Syncona Holdings Limited	Portfolio management	100%

Syncona IP Holdco Limited	UK	Syncona Portfolio Limited	Portfolio management	100%
Syncona IP Holdco (2) Limited	UK	Syncona Portfolio Limited	Portfolio management	100%
Syncona IP Holdco (3) Limited	UK	Syncona Portfolio Limited	Portfolio management	100%
Syncona Investment Management Limited	UK	Syncona Holdings Limited	Portfolio management	100%
SIML Switzerland AG	Switzerland	SIML	Portfolio management	100%
Bidco 1354 Limited [2]	UK	Syncona Portfolio Limited	Gene therapy	99%
Forcefield Therapeutics Limited	UK	Syncona Portfolio Limited	Biologics	94%
Resolution Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	83%
Purespring Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	81%
Beacon Therapeutics Holdings Limited	UK	Syncona Portfolio Limited	Gene therapy	77%
Kesmalea Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecules	59%
Mosaic Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecules	51%

Indirect associates	**Principal place of business**	**Immediate parent**	**Principal activity**	**2024 % interest[1]**
Quell Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	38%
Anaveon AG	Switzerland	Syncona Portfolio Limited	Biologics	37%
OMass Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecules	37%
Azeria Therapeutics Limited	UK	Syncona Portfolio Limited	In voluntary liquidation	34%
Achilles Therapeutics plc	UK	Syncona Portfolio Limited	Cell therapy	27%
Clade Therapeutics Inc	United States	Syncona Portfolio Limited	Cell therapy	22%
iOnctura B.V.	Netherlands	Syncona Portfolio Limited	Biologics	20%

Indirect subsidiaries	**Principal place of business**	**Immediate parent**	**Principal activity**	**2023 % interest[1]**
Syncona Discovery Limited	UK	Syncona Investments LP Inc	Portfolio management	100%
Syncona Portfolio Limited	Guernsey	Syncona Holdings Limited	Portfolio management	100%
Syncona IP Holdco Limited	UK	Syncona Portfolio Limited	Portfolio management	100%
Syncona IP Holdco (2) Limited	UK	Syncona Portfolio Limited	Portfolio management	100%
Syncona Investment Management Limited	UK	Syncona Holdings Limited	Portfolio management	100%
SIML Switzerland AG	Switzerland	SIML	Portfolio management	100%
Resolution Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	85%
SwanBio Therapeutics Limited	United States	Syncona Portfolio Limited	Gene therapy	82%
Purespring Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	81%
Forcefield Therapeutics Limited	UK	Syncona Portfolio Limited	Biologics	76%
Beacon Therapeutics Holdings Limited	UK	Syncona Portfolio Limited	Gene therapy	70%
Freeline Therapeutics Holdings plc	UK	Syncona Portfolio Limited	Gene therapy	58%
Mosaic Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecules	51%

Indirect associates	**Principal place of business**	**Immediate parent**	**Principal activity**	**2023 % interest[1]**
Anaveon AG	Switzerland	Syncona Portfolio Limited	Biologics	46%
Quell Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	44%
Kesmalea Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecules	41%
OMass Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecules	35%
Azeria Therapeutics Limited	UK	Syncona Portfolio Limited	In voluntary liquidation	34%
Achilles Therapeutics plc	UK	Syncona Portfolio Limited	Cell therapy	27%
Clade Therapeutics Inc	United States	Syncona Portfolio Limited	Cell therapy	17%

[1] Based on undiluted issued share capital and excluding the MES issued by Syncona Holdings Limited (see note 12).
[2] Has subsequently been renamed Spur Therapeutics Limited.

5. TAXATION

The Company and the General Partner are exempt from taxation in Guernsey under the provisions of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and have both paid an annual exemption fee of £1,600 (31 March 2023: £1,200).

The General Partner is incorporated and a tax resident in Guernsey, its corporate affairs being managed solely in Guernsey. Having regard to the non-UK tax residence of the General Partner and the Company, and on the basis that the Partnership is treated as transparent for UK and Guernsey tax purposes and that the Partnership's business is an investment business and not a trade, no UK tax will be payable on either the General Partner's or the Company's shares of Partnership profit (save to the extent of any UK withholding tax on certain types of UK income such as interest).

Some of the Group's underlying investments may be liable to tax, although the tax impact is not expected to be material to the Group, and is included in the fair value of the Group's investments.

6. INCOME

The Group's income relates to distributions from the Partnership which are used for paying costs and dividends of the Group.

During the year, distribution income from the Partnership amounted to £49,137,740 (31 March 2023: £27,494,517) of which £4,353,307 (31 March 2023: £4,633,973) remained receivable as at 31 March 2024. The receivable reflects the charitable donations of the Group. Refer to note 8.

7. NET GAINS/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The net gains/(losses) on financial assets at fair value through profit or loss arise from the Group's holdings in the Holding Company and Partnership.

	Note	2024 £'000	2023 £'000
Net gains/(losses) from:			
The Holding Company	7.a	893	(62,636)
The Partnership	7.b	(19,282)	(4,650)
Total		(18,389)	(67,286)

7.a Movements in the Holding Company:

	2024 £'000	2023 £'000
Expenses	(98)	(97)
Movement in unrealised gains/(losses) on life science investments at fair value through profit or loss	991	(62,539)
Net gains/(losses) on financial assets at fair value through profit or loss	893	(62,636)

7.b Movements in the Partnership:

	2024 £'000	2023 £'000
Investment income	771	106
Rebates and donations	(164)	81
Other income	41	–
Expenses	(406)	(342)
Realised gains on financial assets at fair value through profit or loss	8,775	13,933
Movement in unrealised gains on financial assets at fair value through profit or loss	16,876	6,049
Gains on foreign currency	3,962	3,018
Gains on financial assets at fair value through profit or loss	29,855	22,845
Distributions	(49,137)	(27,495)
Net losses on financial assets at fair value through profit or loss	(19,282)	(4,650)

8. CHARITABLE DONATIONS

For the year ended 31 March 2024, the Group has agreed to make a charitable donation to The Syncona Foundation of 0.35% of the total NAV of the Group calculated on a monthly basis (31 March 2023: 0.35%). The donation is made by the General Partner.

During the year, charitable donations expense amounted to £4,353,307 (31 March 2023: £4,633,973) of which £4,353,307 (31 March 2023: £4,633,973) remained payable as at 31 March 2024. Refer to note 13.

9. GENERAL EXPENSES

	Notes	2024 £'000	2023 £'000
Share based payments provision	12	2,972	(2,968)
Investment management fees	16	16,645	12,121
Directors' remuneration	16	506	499
Auditor's remuneration		290	183
Other expenses		2,195	1,758
Total		22,608	11,593

Auditor's remuneration includes audit fees in relation to the Group of £168,650 (31 March 2023: £132,900). Total audit fees paid by the Group and the Syncona Group Companies for the year ended 31 March 2024 totalled £322,000 (31 March 2023: £134,900). Additional fees paid to the auditor were £50,620 (31 March 2023: £44,200) which relates to work performed at the interim review of £40,600 (31 March 2023: £36,200) and other non-audit fees of £10,020 (31 March 2023: £8,000) which relates to regulatory compliance reporting for the Investment Manager and a subscription fee to the auditor's accounting research tool.

Further details of the share based payments provision can be found in note 12.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2024 £'000	2023 £'000
The Holding Company	10.a	922,680	919,958
The Partnership	10.b	319,018	338,300
Total		1,241,698	1,258,258

The Holding Company and the Partnership are the only two investments held directly by the Group and as such the reconciliation of movement in investments has been presented separately for each below.

10.a The net assets of the Holding Company

	2024 £'000	2023 £'000
Cost of the Holding Company's investment at the start of the year	494,810	494,810
Purchases during the year	–	–
Cost of the Holding Company's investments at the end of the year	494,810	494,810
Net unrealised gains on investments at the end of the year	432,577	429,757
Fair value of the Holding Company's investments at the end of the year	927,387	924,567
Other net current liabilities	(4,707)	(4,609)
Financial assets at fair value through profit or loss at the end of the year	922,680	919,958

10.b The net assets of the Partnership

	2024 £'000	2023 £'000
Cost of the Partnership's investments at the start of the year	597,753	334,834
Purchases during the year	542,413	1,848,806
Sales during the year	(755,229)	(1,575,336)
Return of capital	(6,290)	(10,551)
Cost of the Partnership's investments at the end of the year	378,647	597,753
Net unrealised gains on investments at the end of the year	39,072	22,196
Fair value of the Partnership's investments at the end of the year	417,719	619,949
Cash and cash equivalents	89,576	67,190
Other net current liabilities	(188,277)	(348,839)
Financial assets at fair value through profit or loss at the end of the year	319,018	338,300

11. TRADE AND OTHER RECEIVABLES

	Notes	2024 £'000	2023 £'000
Due from related parties	16	4,720	5,457
Charitable donation receivable	16	4,353	4,618
Prepayments		65	68
Total		9,138	10,143

12. SHARE BASED PAYMENTS PROVISION

Share based payments are associated with awards of MES in the Holding Company, relevant details of which are set out in note 2.

The total cost recognised within general expenses in the Consolidated Statement of Comprehensive Income is shown below:

	2024 £'000	2023 £'000
Charge/(credit) related to revaluation of the liability for cash settled share awards	2,972	(2,968)
Total	2,972	(2,968)

Other movements in the provision relating to realisations and granting of awards totalled £5,647,140 (31 March 2023: £7,583,660). Amounts recognised in the Consolidated Statement of Financial Position, representing the carrying amount of liabilities arising from share based payments transactions are shown below:

	2024 £'000	2023 £'000
Share based payments provision - current	1,760	7,296
Share based payments provision - non-current	2,861	–
Total	4,621	7,296

When a participant elects to realise vested MES by sale of the MES to the Company, half of the proceeds (net of anticipated taxes) will be settled in shares of the Company, with the balance settled in cash.

The fair value of the MES is established using an externally developed model as set out in note 2. Vesting is subject only to the condition that employees must remain in employment at the vesting date. Each MES is entitled to share equally in value attributable to the Holding Company above the applicable base line value at the date of award, provided that the applicable hurdle value of 15% or 30% growth in the value of the Holding Company above the base line value at the date of award has been achieved.

The fair value of awards made in the year ended 31 March 2024 was £757,576 (31 March 2023: £2,529,130). This represents 6,859,411 new MES issued (31 March 2023: 9,367,155). Awards were made on 13 July 2023 and 18 December 2023 at 11p and 14p per MES respectively.

The number of MES outstanding are shown below:

	2024	2023
Outstanding at the start of the year	43,871,228	42,282,122
Issued	6,859,411	9,367,155
Realised	(6,700,688)	(7,762,846)
Lapsed	(3,835,892)	(15,203)
Outstanding at the end of the year	40,194,059	43,871,228
Weighted average remaining contractual life of outstanding MES, years	1.15	1.29
Vested MES as at the year end	30,085,530	29,523,421
Realisable MES as at the year end	8,997,656	12,010,048

13. ACCRUED EXPENSE AND PAYABLES

		2024 £'000	2023 £'000
Charitable donations payable	16	4,353	4,634
Management fees accrued		2,222	1,374
Other payables		1,023	453
Total		7,598	6,461

14. SHARE CAPITAL

14.a Authorised Share Capital

The Company is authorised to issue an unlimited number of shares, which may have a par value or no par value. The Company is a closed-ended investment company with an unlimited life.

As the Company's shares have no par value, the share price consists solely of share premium and the amounts received for issued shares are recorded in share capital in accordance with The Companies (Guernsey) Law, 2008.

	2024 £'000	2023 £'000
Authorised Share Capital		
Balance at the start of the year	767,999	767,999
Balance at the end of the year	767,999	767,999

	2024 Shares	2023 Shares
Outstanding Ordinary Share Capital		
Balance at the start of the year	669,329,324	666,733,588
Share based payment shares issued during the year	2,477,342	2,595,736
Treasury shares purchased by the Company	(16,471,080)	–
Balance at the end of the year	655,335,586	669,329,324

At 31 March 2024, 280,000 Ordinary Shares had no voting rights attached and were entered into treasury by the close of 3 April 2024. Resulting in the total Ordinary Shares available for trade on an open market being 655,335,586.

During the year the associated cost of purchasing the treasury shares totalled £20,223,241.

The Company has issued one Deferred Share to The Syncona Foundation for £1.

14.b Capital and Revenue Reserves

Gains and losses recorded on the realisation of investments, realised exchange differences, unrealised gains and losses recorded on the revaluation of investments held as at the year end and unrealised exchange differences of a capital nature are transferred to capital reserves. Income and expenses of a revenue nature are transferred to revenue reserves.

14.c Earnings/(loss) per share

The calculations for the (loss)/earnings per share attributable to the Ordinary Shares of the Company excluding Ordinary Shares purchased by the Company and held as treasury shares are based on the following data:

	2024	2023
Earnings/(loss) for the purposes of earnings per share	£3,788,000	£(56,018,000)
Basic weighted average number of shares	656,371,037	668,575,494
Basic revenue earnings per share	3.33p	1.69p
Basic capital loss per share	(2.76)p	(10.07)p

Basic earnings/(loss) per share	0.57p	(8.38)p
Diluted weighted average number of shares	666,854,451	668,575,494
Diluted revenue earnings per shares	3.33p	1.69p
Diluted capital loss per share	(2.76)p	(10.07)p
Diluted earnings/(loss) per share	0.57p	(8.38)p

	2024	2023
Issued share capital at the start of the year	669,329,324	666,733,588
Weighted effect of share issues and purchases		
Share based payments	1,732,786	1,841,906
Potential share based payment share issues	1,035,451	3,487,581
Treasury shares	(4,207,658)	–
Diluted weighted average number of shares	667,889,903	672,063,075

14.d NAV per share

	2024	2023
Net assets for the purposes of NAV per share	£1,238,878,132	£1,254,654,716
Ordinary Shares available to trade	655,335,586	669,329,324
NAV per share	189.04p	187.40p
Diluted number of shares	656,371,037	672,816,905
Diluted NAV per share	188.74p	186.50p

As at 31 March 2024, if all MES were realised, the number of shares issued in the Company as a result would increase by 1,035,451 (31 March 2023: 3,487,581). The undiluted per share value of net assets attributable to holders of Ordinary Shares would move from £1.89 to £1.89 (31 March 2023: £1.87 to £1.86) if these shares were issued.

15. DISTRIBUTION TO SHAREHOLDERS

The Company may pay a dividend at the discretion of the Directors.

During the year ended 31 March 2024, the Company did not declare or pay a dividend (31 March 2023: £Nil was paid in relation to the year ended 31 March 2022). The Directors believe that it is not appropriate for the Company to pay a dividend.

The Company is not declaring a 2024 dividend.

16. RELATED PARTY TRANSACTIONS

The Group has various related parties: life science investments held by the Holding Company, the Investment Manager, the Company's Directors and The Syncona Foundation.

Life science investments
The Group makes equity investments in some life science investments where it retains control. The Group has taken advantage of the investment entity exception as permitted by IFRS 10 and has not consolidated these investments, but does consider them to be related parties.

During the year, the total amount invested in life science investments which the Group controls was £131,996,869 (31 March 2023: £127,143,441).

The Group makes other equity investments where it does not have control but may have significant influence through its ability to participate in the financial and operating policies of these companies, therefore the Group considers them to be related parties. These amounts are unsecured, interest free, and repayable on demand.

During the year, the total amount invested in life science investments in which the Group has significant influence was £38,276,591 (31 March 2023: £25,404,894).

Commitments of milestone payments to the life science investments are disclosed in note 20.

During the year, SIML charged the life science investments a total of £268,012 in relation to Directors' fees (31 March 2023: £215,094).

Investment Manager
SIML, an indirectly held subsidiary of the Company, is the Investment Manager of the Group.

For the year ended 31 March 2024, SIML was entitled to receive reimbursement of reasonably incurred expenses relating to its investment management activities.

	2024 £'000	2023 £'000
Amounts paid to SIML	16,645	12,121

Amounts owed to SIML in respect of management fees totalled £2,222,128 as at 31 March 2024 (31 March 2023: £1,374,098).

During the year, SIML received fees from the Group's portfolio companies of £1,290,464 (31 March 2023: £864,632).

Company Directors
As at the year end, the Company had seven Directors, all of whom served in a non-executive capacity. Rob Hutchinson also serves as a Director of the General Partner.

Directors' remuneration for the years ended 31 March 2024 and 31 March 2023, excluding expenses incurred, and outstanding Directors' remuneration as at the end of the year, are set out below:

	2024 £'000	2023 £'000
Directors' remuneration for the year	506	499
Payable at the end of the year	–	–

Shares held by the Directors can be found in the Report of the Remuneration Committee. The Directors of Syncona Limited together hold 0.04% (31 March 2023: 0.04%) of the Syncona Limited voting shares.

The Syncona Foundation
Charitable donations are made by the Company to The Syncona Foundation. The Syncona Foundation was incorporated in England and Wales on 17 May 2012 as a private company limited by guarantee, with exclusively charitable purposes and holds the Deferred Share in the Company. The amount donated to The Syncona Foundation during the year ended 31 March 2024 was £4,621,843 (31 March 2023: £2,428,478).

Other related parties
As at 31 March 2024, the Company has a receivable from the Partnership, Holding Company and Syncona Portfolio Limited amounting to £1,500 (31 March 2023: £15,438), £4,716,678 (31 March 2023: £5,426,437) and £1,500 (31 March 2023: £15,438), respectively.

17. FINANCIAL INSTRUMENTS

In accordance with its investment objectives and policies, the Group holds financial instruments which at any one time may comprise the following:

- securities and investments held in accordance with the investment objectives and policies;
- cash and short-term receivables and payables arising directly from operations; and
- derivative instruments including forward currency contracts.

The financial instruments held by the Group are comprised principally of the investments in the Holding Company and the Partnership.

Details of the Group's significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in note 2.

	2024 £'000	2023 £'000
Financial assets at fair value through profit or loss		
The Holding Company	922,680	919,958
The Partnership	319,018	338,300
Total financial assets at fair value through profit or loss	1,241,698	1,258,258
Financial assets measured at amortised cost		
Cash and cash equivalents	261	11
Other financial assets	9,138	10,143
Total financial assets measured at amortised cost	9,399	10,154
Financial liabilities at fair value through profit or loss		
Provision for share based payments	(4,621)	(7,296)
Total financial liabilities at fair value through profit or loss	(4,621)	(7,296)
Financial liabilities measured at amortised cost		
Other financial liabilities	(7,598)	(6,461)
Total financial liabilities measured at amortised cost	(7,598)	(6,461)
Net financial assets	1,238,878	1,254,655

The financial instruments held by the Group's underlying investments are comprised principally of life science investments, hedge, equity, credit, long-term alternative investment funds, short-term UK and US treasury bills and cash.

The table below analyses the carrying amounts of the financial assets and liabilities held by the Holding Company by category as defined in IFRS 9 (see note 2).

	2024 £'000	2023 £'000
Financial assets at fair value through profit or loss		
Investment in subsidiaries	927,387	924,567
Total financial assets at fair value through profit or loss	927,387	924,567
Financial assets measured at amortised cost[(1)]		
Current assets	39	847
Financial liabilities measured at amortised cost[(1)]		
Current liabilities	(4,746)	(5,456)
Net financial assets of the Holding Company	922,680	919,958

The table below analyses the carrying amounts of the financial assets and liabilities held by the Partnership by category as defined in IFRS 9.

	2024 £'000	2023 £'000
Financial assets at fair value through profit or loss		
Listed investments	275,388	445,141
Unlisted investments	99,278	134,422
Investment in subsidiaries	43,053	40,386
Total financial assets at fair value through profit or loss	417,719	619,949
Financial assets measured at amortised cost[(1)]		
Current assets	92,053	67,973
Financial liabilities measured at amortised cost[(1)]		
Current liabilities	(190,754)	(349,622)
Net financial assets of the Partnership	319,018	338,300

(1) Has a fair value which does not materially differ to amortised cost

Capital risk management
The Group's objectives when managing capital include the safeguarding of the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group does not have externally-imposed capital requirements.

The Group may incur indebtedness for the purpose of financing share repurchases or redemptions, making investments (including as bridge finance for investment obligations), satisfying working capital requirements or to assist in payment of the charitable donation, up to a maximum of 20% of the NAV at the point of obtaining debt. The Group may utilise gearing for investment purposes if, at the time of incurrence, it considers it prudent and desirable to do so in light of prevailing market conditions. There is no limitation on indebtedness being incurred at the level of the underlying investments.

18. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS

Financial risk management
The Group is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including market price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks have existed throughout the year and the Group's policies for managing them are summarised below.

The risks below do not reflect the risks of the underlying investment portfolios of certain of the financial assets at fair value through profit or loss. The Group has significant indirect exposure to a number of risks through the underlying portfolios of the investment entities. There is no mechanism to control these risks without considerably prejudicing return objectives.

Due to the lack of transparency in certain underlying assets, in particular certain of those held by the Partnership, it is not possible to quantify or hedge the impact of these risks on the portfolio as each investment entity may have complex and changing risk dynamics that are not easily observable or predictable. These risks will include interest, foreign exchange and other market risks which are magnified by gearing in some, not many, cases, resulting in increased liquidity and return risk.

Syncona Limited
Syncona Limited is exposed to financial risks through its investments in the Holding Company and the Partnership. The risks and policies for managing them are set out in the following sections.

The Holding Company

Market price risk
The Holding Company invests in early-stage life science companies that typically have limited products in development, and any problems encountered in development may have a damaging effect on that company's business and the value of the investment.

This is mitigated by the employment of highly experienced personnel, the performance of extensive due diligence prior to investment and ongoing performance monitoring.

Foreign currency risk
Foreign currency risk represents the potential losses or gains on the life science investments future income streams and the potential losses or gains on investments made in United States Dollars (USD), Swiss Francs (CHF) and Euro (EUR) by the Holding Company's underlying investments.

The following tables present the Holding Company's assets and liabilities in their respective currencies, converted into the Group's functional currency.

	CHF £'000	EUR £'000	USD £'000	GBP £'000	2024 Total £'000
Financial assets at fair value through profit or loss	35,713	25,646	323,624	542,404	927,387
Cash and cash equivalents	–	–	–	39	39
Accrued expense and payables[1]	–	–	–	(4,746)	(4,746)
Total	35,713	25,646	323,624	537,697	922,680

	CHF £'000	EUR £'000	USD £'000	GBP £'000	2023 Total £'000
Financial assets at fair value through profit or loss	64,203	–	310,625	549,739	924,567
Cash and cash equivalents	–	–	–	847	847
Accrued expense and payables [1]	–	–	–	(5,456)	(5,456)
Total	64,203	–	310,625	545,130	919,958

[1] In which 99.49% (31 March 2023: 99.44%) is payable within the Group.

Foreign currency sensitivity analysis
The following table details the sensitivity of the Holding Company's NAV to a 10% change in the USD, CHF and EUR exchange rate against the GBP currency with all other variables held constant. The sensitivity analysis percentage represents the Investment Manager's assessment, based on the foreign exchange rate movements over the relevant period and of a reasonably possible change in foreign exchange rates.

	2024 CHF £'000	2024 EUR £'000	2024 USD £'000	2023 CHF £'000	2023 EUR £'000	2023 USD £'000
10% increase	3,572	2,565	32,362	7,134	–	41,490
10% decrease	(3,572)	(2,565)	(32,362)	(5,837)	–	(33,946)

Interest rate risk
Interest rate risk is negligible in the Holding Company as minimal cash and no debt are held.

Liquidity risk
Liquidity risk is the risk that the financial commitments made by the Holding Company are not able to be met as they fall due. The Holding Company holds minimal cash and has no access to debt and instead relies on liquidity from the Partnership. The liquidity risk associated with the Partnership is set out in the Partnership section below.

The table below details the Holding Company's liquidity analysis for its financial assets and liabilities.

	<12 months £'000	>12 months £'000	2024 Total £'000
Financial assets at fair value through profit or loss	–	927,387	927,387
Cash and cash equivalents	39	–	39
Accrued expense and payables	(4,746)	–	(4,746)
Total	(4,707)	927,387	922,680
Percentage	(0.5)%	100.5%	100.00%

	<12 months £'000	>12 months £'000	2023 Total £'000
Financial assets at fair value through profit or loss	–	924,567	924,567
Cash and cash equivalents	847	–	847
Accrued expense and payables	(35)	(5,421)	(5,456)
Total	812	919,146	919,958
Percentage	0.1%	99.9%	100.00%

The Partnership

Market price risk
The overall market price risk management of each of the fund holdings of the Partnership is primarily driven by their respective investment objectives. The Partnership's assets include investments in multi-asset funds and segregated portfolios which are actively managed by appointed investment managers with specific objectives to manage market risk. The Investment Manager assesses the risk in the Partnership's fund portfolio by monitoring exposures, liquidity, and concentrations of the underlying funds' investments, in the context of

the historic and current volatility of their asset classes, and the Investment Manager's risk appetite. The maximum risk resulting from financial instruments is generally determined by the fair value of underlying funds. The overall market exposure as at 31 March 2024 and 31 March 2023 is shown in the Consolidated Statement of Financial Position.

The financial instruments are sensitive to market price risk; any increase or decrease in market price will have an equivalent effect on the market value of the financial instruments.

Foreign currency risk

Foreign currency risk represents the potential losses or gains the Partnership may suffer through holding foreign currency assets in the face of foreign exchange movements. The Partnership's treatment of currency transactions is set out in note 2 to the Consolidated Financial Statements under "Translation of foreign currency" and "Forward currency contracts". Currency risk exists in the underlying investments, the analysis of which is not feasible.

The investments of the Partnership are denominated in USD, EUR, and GBP. The Partnership's functional and presentation currency is £; hence, the Consolidated Statement of Financial Position may be significantly affected by movements in the exchange rates between the foreign currencies previously mentioned. The Investment Manager may manage exposure to EUR and USD movements by using forward currency contracts to hedge exposure to investments in EUR and USD-denominated share classes.

The following tables present the Partnership's assets and liabilities in their respective currencies, converted into the Group's functional currency.

	USD £'000	EUR £'000	GBP £'000	2024 Total £'000
Financial assets at fair value through profit or loss	61,407	12,130	344,182	417,719
Cash and cash equivalents	23,522	15	66,039	89,576
Trade and other receivables	614	1,861	2	2,477
Accrued expense and payables[(1)]	(170,696)	–	(15,705)	(186,401)
Distributions payable	–	–	(4,353)	(4,353)
Total	(85,153)	14,006	390,165	319,018

	USD £'000	EUR £'000	GBP £'000	2023 Total £'000
Financial assets at fair value through profit or loss	123,311	18,565	478,073	619,949
Cash and cash equivalents	40,519	27	26,644	67,190
Trade and other receivables	1	–	782	783
Accrued expense and payables [(1)]	(249,160)	–	(95,825)	(344,985)
Distributions payable	–	–	(4,637)	(4,637)
Total	(85,329)	18,592	405,037	338,300

[(1)] In which 91.58% (31 March 2023: 99.97%) is payable within the Group.

Foreign currency sensitivity analysis

The following table details the sensitivity of the Partnership's NAV to a 10% (31 March 2023: 10%) change in the GBP exchange rate against the USD and EUR with all other variables held constant. The sensitivity analysis percentage represents the Investment Manager's assessment, based on the foreign exchange rate movements over the relevant period and of a reasonably possible change in foreign exchange rates.

	2024 USD £'000	2024 EUR £'000	2023 USD £'000	2023 EUR £'000
10% increase	(8,515)	(1,401)	(8,534)	1,592
10% decrease	8,515	1,401	8,534	(1,592)

Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts is affected by fluctuations in interest rates, however the effect is not expected to be material. All cash balances receive interest at variable rates. Interest rate risk may exist in the Partnership's underlying investments, the analysis of which is impractical due to the lack of visibility over the underlying information required to perform this analysis within the Partnership's investments.

Credit risk

Credit risk in relation to listed securities transactions awaiting settlement is managed through the rules and procedures of the relevant stock exchanges. In particular, settlements for transactions in listed securities are affected by the credit risk of the Citco Custody (UK) Limited (the "Custodian") which acts as the custodian of the Partnership's assets, on a delivery against payment or receipt against payment basis. Transactions in unlisted securities are affected against binding subscription agreements. Credit risk may exist in the Partnership's underlying fund investments, the analysis of which is impractical due to the lack of visibility over the underlying information required to perform this analysis within the Partnership's investments.

The Partnership invests in short-term UK and US treasury bills and considers the associated credit risk to be negligible. The Partnership's financial assets are 40.0% (31 March 2023: 46.5%) short-term treasury bills.

The principal credit risks for the Partnership are in relation to deposits with banks. The securities held by the Custodian are held in trust and are registered in the name of the Partnership. Citco is "non-rated", however, the Investment Manager takes comfort over the credit risk of Citco as they have proven to rank amongst the "Best in class" and "Top rated" in the recognised industry survey carrying a global presence and over 40 years of experience in the provision of custodian and other services to their clients and the hedge fund industry. The credit risk associated with debtors is limited to trade and other receivables.

The Group's cash and cash equivalents are held with major financial institutions; the two largest ones hold 67% and 32% respectively (31 March 2023: 79% and 20% respectively).

Liquidity risk

The Partnership is exposed to the possibility that it may be unable to liquidate certain of its assets as it otherwise deems advisable as the Partnership's underlying funds or their managers may require minimum holding periods and restrictions on redemptions. Further, there may be suspension or delays in payment of redemption proceeds by underlying funds or holdbacks of redemption proceeds otherwise payable to the Partnership until after the applicable underlying fund's financial records have been audited. Therefore, the Partnership may hold receivables that may not be received by the Partnership for a significant period of time, may not accrue any interest and ultimately may not be paid to the Partnership. As at 31 March 2024, no (31 March 2023: Nil) suspension from redemptions existed in any of the Partnership's underlying investments.

The Partnership invests in short-term UK and US treasury bills, daily traded money market funds and daily traded credit funds and considers the associated liquidity risk to be negligible. The Partnership's financial assets are 40.0% (31 March 2023: 46.5%) short-term UK and US treasury bills, 23.6% (31 March 2023: 16.6%) daily traded credit funds and 12.6% (31 March 2023: Nil) daily traded Money Market Funds.

The table below details the Partnership's liquidity analysis for its financial assets and liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial assets and liabilities that settle on a net basis and the undiscounted gross cash flows on those financial assets and liabilities that require gross settlement.

	Within 1 month £'000	>1 to 3 months £'000	>3 to 12 months £'000	>12 months £'000	2024[(1)] Total £'000
Financial assets at fair value through profit or loss	232,186	113,702	2,368	69,463	417,719
Cash and cash equivalents	89,576	–	–	–	89,576
Trade and other receivables	2,477	–	–	–	2,477
Accrued expense and payables	(186,401)	–	–	–	(186,401)
Distributions payable	–	(4,353)	–	–	(4,353)
Total	137,838	109,349	2,368	69,463	319,018
Percentage	43.2%	34.3%	0.7%	21.8%	100.0%

	Within 1 month	>1 to 3 months	>3 to 12 months	>12 months	2023[(1)] Total

	£'000	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss	320,284	166,425	59,853	73,387	619,949
Cash and cash equivalents	67,190	–	–	–	67,190
Trade and other receivables	783	–	–	–	783
Accrued expense and payables	(344,985)	–	–	–	(344,985)
Distributions payable	–	(4,637)	–	–	(4,637)
Total	43,272	161,788	59,853	73,387	338,300
Percentage	12.8%	47.8%	17.7%	21.7%	100.0%

(1) The liquidity tables within this note reflect the anticipated cash flows assuming notice was given to all underlying investments as at 31 March 2024 and 31 March 2023 and that all UK and US treasury bills are held to maturity. They include a provision for "audit hold back" which most hedge funds can apply to full redemptions and any other known restrictions the managers of the underlying funds may have placed on redemptions. Where there is currently no firm indication from the underlying manager on the expected timing of the receipt of redemption proceeds, the relevant amount is included in the ">12 months" category. The liquidity tables are therefore conservative estimates.

19. FAIR VALUE MEASUREMENT

IFRS 13 "Fair Value Measurement" requires the Group to establish a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are set as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) or other market corroborated inputs; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Group's financial assets by level within the valuation hierarchy as at 31 March 2024 and 31 March 2023:

Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**2024 Total £'000**
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	922,680	922,680
The Partnership	–	–	319,018	319,018
Total assets	–	–	1,241,698	1,241,698

Assets	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**2023 Total £'000**
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	919,958	919,958
The Partnership	–	–	338,300	338,300

Total assets	–	–	1,258,258	1,258,258

The investments in the Holding Company and the Partnership are classified as Level 3 investments due to the use of the adjusted NAV of the subsidiaries as a proxy for fair value, as detailed in note 2. The subsidiaries hold some investments valued using techniques with significant unobservable inputs as outlined in the sections that follow.

The underlying assets of the Holding Company and the Partnership are shown below.

The following table presents the Holding Company's financial assets and liabilities by level within the valuation hierarchy as at 31 March 2024 and 31 March 2023:

Asset type	Level	31 March 2024 £'000	31 March 2023 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
Listed investment	1	180,448	73,943	Publicly available share bid price as at statement of financial position date	n/a	n/a
SIML	3	5,831	6,108	Net Assets of SIML	Carrying value of assets and liabilities determined in accordance with generally accepted accounting principles, without adjustment. A sensitivity of 5% (31 March 2023: 5%) of the NAV of SIML is applied.	+/- 292
Milestone payments	3	2,248	54,516	Discounted cash flow	The main unobservable inputs consist of the assigned probability of milestone success and the discount rate used. A sensitivity of 5ppts (31 March 2023: 5ppts) of the respective inputs is applied.	PoS: +/- 413 Discount rate: +/- 100
Deferred consideration	3	14,362	15,882	Discounted cash flow	The main unobservable inputs consist of the assigned probability of milestone success and the discount rate used. A sensitivity of 5ppts (31 March 2023: 5ppts) of the respective inputs is applied.	PoS: +/- 898 Discount rate: +/- 5,312
Calibrated price of recent investment (PRI)[1]	3	555,174	427,552	Calibrated PRI	The main unobservable input is the quantification of the progress investments make against internal financing and/or corporate milestones where appropriate. A reasonable shift in the fair value of the investment would be +/-12% (31 March 2023: +/-10%).	+/- 66,621
Cash[2]	n/a	41	294	Amortised cost [4] (31 March 2023: Transaction price)	n/a	n/a
Other net assets[3]	n/a	169,283	346,272	Amortised cost [4] (31 March 2023: Transaction price)	n/a	n/a
Total financial assets held at fair value through profit or loss		927,387	924,567			

(1) Valuation made by reference to price of recent funding round unadjusted following adequate consideration of current facts and circumstances.
(2) Cash and other net assets held within the Holding Company are primarily measured at amortised cost which is equivalent to their fair value.
(3) Other net assets primarily consists of a receivable due from the Partnership totalling £170,700,000 (31 March 2023: £344,900,000).
(4) Amortised cost is considered equivalent to fair value.

The following table presents the movements in Level 3 investments of the Holding Company for the year ended 31 March 2024 and 31 March 2023:

Life science investments £'000	Milestone payments and deferred consideration £'000	SIML £'000	2024 Total £'000	2023 Total £'000

Opening balance	427,552	70,398	6,108	504,058	381,286
Purchases during the year	171,256	–	–	171,256	156,363
Sales during the year	(1,030)	–	–	(1,030)	(15,311)
Movement from Level 1 to Level 3	12,934	–	–	12,934	–
Unrealised losses on financial assets at fair value through profit or loss	(55,538)	(53,788)	(277)	(109,603)	(18,280)
Closing balance	555,174	16,610	5,831	577,615	504,058

The net unrealised loss for the year included in the Consolidated Statement of Comprehensive Income in respect of Level 3 investments in the Holding Company held as at the year end amounted to £109,603,000 (31 March 2023: £18,280,000 (net unrealised loss)).

During the year, there were no movements from Level 3 to Level 1 (31 March 2023: £Nil). There was one movement from Level 1 to Level 3 (31 March 2023: Nil) relating to the delisting of Freeline Therapeutics Holdings plc from an active market.

The following table presents the Partnership's financial assets and liabilities by level within the valuation hierarchy as at 31 March 2024 and 31 March 2023:

Asset type	Level	31 March 2024 £'000	31 March 2023 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
UK and US treasury bills	1	163,373	284,960	Publicly available price as at statement of financial position date	n/a	n/a
Capital pool investment fund - Credit funds	2	112,015	101,566	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Capital pool investment fund - Multi asset funds	2	–	58,615	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Capital pool investment fund - Multi asset funds	3	70,500	101,421	Valuation produced by fund administrator	The main unobservable input include the assessment of the performance of the underlying assets by the fund administrator. A fair reasonable shift in the fair value of the instruments would be +/-5% (31 March 2023: +/-5%)	+/- 3,525
Legacy funds - long-term unlisted investments	3	28,778	33,001	Valuation produced by fund administrator	The main unobservable input include the assessment of the performance of the underlying fund by the fund administrator. A reasonable possible shift in the fair value of the instruments would be +/-10% (31 March 2023: +/-13%).	+/- 2,878
CRT Pioneer Fund	3	33,874	32,727	Valuation produced by fund administrator and adjusted by Management	Unobservable inputs include the fund manager's assessment of the performance of the underlying investments and adjustments made to this assessment to generate the deemed fair value. A reasonable possible shift in the fair value of the instruments would be +/-32% (31 March 2023: +/-36%).	+/- 10,840
Cash[(1)]	n/a	38,957	74,863	Amortised cost [(4)] (31 March 2023: Transaction price)	n/a	n/a
Cash equivalents - money market funds[(2)]	n/a	59,706	–	Publicly available price as at statement of financial position date	n/a	n/a
Other net liabilities[(3)]	n/a	(188,184)	(348,853)	Amortised cost [(4)]	n/a	n/a

				(31 March 2023: Transaction price)		
Total financial assets held at fair value through profit or loss		319,018	338,300			

(1) Cash and other net liabilities held within the Partnership are primarily measured at amortised cost which is equivalent to their fair value.
(2) Money Market Funds are deemed as cash equivalents and valued at amortised cost, being equivalent to their fair value.
(3) Other net liabilities primarily consists of a payable due to Syncona Portfolio Limited totalling £170,700,000 (31 March 2023: £344,900,000).
(4) Amortised cost is considered equivalent to fair value.

During the year ended 31 March 2024, there were no movements from Level 1 to Level 2 (31 March 2023: £Nil).

Assets classified as Level 2 investments are primarily underlying funds fair-valued using the latest available NAV of each fund as reported by each fund's administrator, which are redeemable by the Group subject to necessary notice being given. Included within the Level 2 investments above are investments where the redemption notice period is greater than 90 days. Other assets within the Level 2 investments are daily traded credit funds priced using the latest market price equivalent to their NAV. Such investments have been classified as Level 2 because their value is based on observable inputs. The Group's liquidity analysis is detailed in note 18.

Assets classified as Level 3 long-term unlisted investments are underlying funds which are not traded or available for redemption. The fair value of these assets is derived from quarterly statements provided by each fund's administrator.

The following table presents the movements in Level 3 investments of the Partnership for the year ended 31 March 2024:

	Investment in subsidiary £'000	Capital pool investment £'000	2024 Total £'000	2023 Total £'000
Opening balance	40,386	134,422	174,808	71,508
Purchases	–	729	729	100,352
Sales during the year	–	(37,000)	(37,000)	–
Return of capital	–	(6,290)	(6,290)	(10,551)
Unrealised gains on financial assets at fair value	2,668	7,416	10,084	13,499
Closing balance	43,054	99,277	142,331	174,808

The net unrealised gain for the year included in the Statement of Comprehensive Income in respect of Level 3 investments of the Partnership held as at the year end amounted to £10,084,000 (31 March 2023: £13,499,000 (unrealised gain)).

20. COMMITMENTS AND CONTINGENCIES

The Group had the following commitments as at 31 March 2024:

	2024 Uncalled commitment £'000	2023 Uncalled commitment £'000
Life science portfolio		
Milestone payments to life science companies(1)	92,585	85,143
CRT Pioneer Fund	1,561	2,499
Capital pool investments	1,018	1,585
Total	95,164	89,227

(1) Milestone payments to life science companies consist of financial commitments undertaken before or at the reporting date, that are contingent upon the achievement of the agreed investment milestones. When the agreed investment milestones are not achieved, the decision to make partial or full payments remains at the discretion of the Group.

There were no contingent liabilities as at 31 March 2024 (March 2023: Nil). The commitments are expected to fall due in the next 36 months.

21. SUBSEQUENT EVENTS

As of 31 March 2024, 280,000 shares were in the process of being purchased by the Company and therefore not available for trade. These shares were withdrawn and held as treasury shares by the close of 3 April 2024 once the transactions settled.

As of 19 June 2024, a further 8,655,000 shares have been purchased through the share buyback programme.

Post period end a further £20.0m has been allocated to the share buyback programme.

Post period end Forcefield Therapeutics Limited syndicated their Series A financing resulting in a valuation uplift of £2.4 million. The accounts have not been updated to reflect this.

Post period end the valuation of the quoted life science investments decreased by £69.8 million.

These Consolidated Financial Statements were approved for issuance by the Directors on 19 June 2024. Subsequent events have been evaluated until 19 June 2024.

GLOSSARY

AAV
Adeno-associated virus – a non-enveloped virus that can be engineered to deliver DNA to target cells.

ALL
Acute lymphoblastic leukaemia – a cancer of the bone marrow and blood in which the body makes abnormal white blood cells.

AMN
Adrenomyeloneuropathy - a progressive and debilitating neurodegenerative disease caused by mutations in the ABCD1 gene that disrupt the function of spinal cord cells and other tissues.

BLA
Biologics License Application.

B-NHL
B cell non-Hodgkin's lymphoma.

Capital access milestone
Milestones which have the potential to enable capital access.

Capital deployed/deployment
Follow-on investment in our portfolio companies and investment in new companies during the year. See alternative performance measures below.

Capital pool
Capital pool investments plus cash less other net liabilities.

Capital pool investments
The underlying investments consist of cash and cash equivalents, including short-term (1 and 3

Management
The management team of Syncona Investment Management Limited.

Melanoma
A serious form of skin cancer that begins in cells known as melanocytes.

MES
Management Equity Shares.

Myeloma
A type of bone marrow cancer.

NAV per share
See alternative performance measures below.

NAV per share return
See alternative performance measures below.

NDA
New drug application, the vehicle through which drug sponsors formally propose that the US FDA approve a new pharmaceutical for sale and marketing in the US.

Net Asset Value, Net Assets or NAV
Net Asset Value ("NAV") is a measure of the value of the Company, being its assets – principally investments made in other companies and cash and cash equivalents held – minus any liabilities.

Net Zero Aspiration
Following NZAM's guidance our initial focus within our portfolio will be on Scope 1 and 2 emissions and to the extent possible, material portfolio Scope 3 emissions. As data quality and associated methodologies improve for calculating

month) UK treasury bills, listed fund investments and legacy fixed term funds.

Capital pool investments return
See alternative performance measures below.

CAR T
Chimeric antigen receptor T-cell therapy – a type of immunotherapy which reprogrammes a patient's own immune cells to fight cancer.

Cell therapy
A therapy which introduces new, healthy cells into a patient's body, to replace those which are diseased or missing.

Clinical stage
Screened and enrolled first patient into a clinical trial.

CLL
Chronic lymphocytic leukaemia.

CNS
Central nervous system – a part of the body's nervous system comprised of the brain and spinal cord.

Companies Law
Companies (Guernsey) Law 2008.

Company
Syncona Limited.

CRT Pioneer Fund
The Cancer Research Technologies Pioneer Fund LP. The CRT Pioneer Fund is managed by Sixth Element Capital and invests in oncology focused assets.

D&I
Diversity and inclusion.

Definitive data
A category within our NAV Growth Framework. Companies in this category have significant clinical data showing a path to marketed product or are moving to pivotal trial and building out commercial infrastructure.

Emerging efficacy data
A category within our NAV Growth Framework. Companies in this category have a clinical strategy defined or have initial efficacy data from Phase I/II in patients.

ERT
Enzyme replacement therapy – the standard of care for Gaucher disease.

Gaucher disease
A genetic disorder in which a fatty substance called glucosylceramide accumulates in

Scope 3 emissions, we may evolve our approach.

New molecular entity
Structurally unique active ingredients that have never before been marketed.

NSCLC
Non-small cell lung cancer – the most common form of lung cancer.

NZAM
The Net Zero Asset Managers (NZAM) initiative is an international group of asset managers who are committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner.

On the market
A category within our NAV Growth Framework. Companies in this category are commercialising products or have revenue streams.

Operational build
A category within our NAV Growth Framework. Companies in this category have a clearly defined strategy and business plan or a leading management team established.

Partnership
Syncona Investments LP Incorporated.

PCNSL
Primary central nervous system lymphoma.

PDUFA
Prescription Drug User Fee Act - the date the FDA is expected to respond by.

Return
A Simple Rate of Return is the method used for return calculations.

SBTi
Science Based Targets initiative.

SIML
Syncona Investment Management Limited.

SLE
Systemic lupus erythematosus – a long-term autoimmune condition that causes joint pain, skin rashes and tiredness.

Strategic portfolio
Core life science companies where Syncona has significant shareholdings and plays an active role in the company's development.

Syncona Group companies
The Company and its subsidiaries other than those companies within the life science portfolio.

Syncona Holdings Limited

macrophages in certain organs due to the lack of functional GCase enzyme.

General Partner
Syncona GP Limited.

Gene therapy
A therapy which seeks to modify or manipulate the expression of a gene in order to treat or cure disease.

Group
Syncona Limited and Syncona GP Limited are collectively referred to as the “Group”.

Immunotherapy
A type of therapy that uses substances to stimulate or suppress the immune system to help the body fight cancer, infection, and other diseases.

Investment Manager
Syncona Investment Management Limited.

IRR
Internal Rate of Return.

Key value inflection point
Milestones which have the potential to deliver significant NAV growth.

Leukaemia
Broad term for cancers of the blood cells.

Late-clinical/late-stage clinical
Has advanced past Phase II clinical trials.

Life science investments
Non-core assets which provide optionality to deliver returns for our shareholders.

Life science portfolio
This incorporates the Company's portfolio companies, potential milestone payments or deferred consideration, and investments.

Life science portfolio return
See alternative performance measures below.

Lymphocytes
Specialised white blood cells that help to fight infection.

Lymphoma
A type of cancer that affects lymphocytes and lymphocyte producing cells in the body.

Macrophages
A form of white blood cell and the principal phagocytic (cell engulfing) components of the immune system.

Holding Company.

Syncona Leadership team
Leadership team of SIML

Syncona team
The team of SIML, the Company’s Investment Manager.

T-cell
A type of lymphocyte white blood cell, which forms part of the immune system and develops from stem cells in the bone marrow.

TCFD
The Task Force on Climate-related Financial Disclosures (TCFD). First published in 2017, the TCFD recommendations act as a framework for assessing the physical and transition risks companies are exposed to from climate change and the transition to a green economy.

TCR
T-cell receptor.

The Syncona Foundation
The Foundation distributes funds to a range of charities, principally those involved in the areas of life science and healthcare.

UN PRI
The United Nations (UN) Principles for Responsible Investment (PRI) is a network of investors, who commit to working to promote sustainable investment.

Valuation Policy
The Group’s investments in life science companies are, in the case of quoted companies, valued based on bid prices in an active market as at the reporting date. In the case of the Group’s investments in unlisted companies, the fair value is determined in accordance with the International Private Equity and Venture Capital (“IPEV”) Valuation Guidelines. These may include the use of recent arm’s length transactions (Price of Recent Investment or PRI), Discounted Cash Flow (“DCF”) analysis and earnings multiples as valuation techniques. Wherever possible, the Group uses valuation techniques which make maximum use of market-based inputs.

XLRP
X-linked retinitis pigmentosa - a severe, aggressive, inherited retinal disease.

Alternative performance measures

Capital deployed

With reference to the life science portfolio valuation. Small difference in calculation may be due to rounding of inputs. This is calculated as follows:

	2024	2023
A Net investment in the period	£168.5m	£154.7m
adjusted for:		
B Proceeds from sales	£1.4m	£17.4m
C CRT Pioneer Fund distributions	£2.4m	£5.1m
Total Capital deployed (A+B+C)	£172.2m	£177.2m

Capital pool

With reference to the life science portfolio valuation table this is calculated as follows:

	2024	2023
A Cash	£104.8m	£82.8m
B Other assets and liabilities	£(26.7)m	£(12.3)m
C Net Cash (A+B)	£78.1m	£70.5m
D UK and US Treasury Bills	£163.4m	£285.0m
E Credit investment funds	£112.0m	£101.6m
F Multi-asset funds	£70.5m	£160.0m
G Legacy funds	£28.8m	£33.0m
Total Capital Pool (C+D+E+F+G)	£452.8m	£650.1m

Capital pool return

Gross capital pool return for 2024 is 3.4 per cent; (2023: 5.5 per cent); This is calculated by dividing the valuation movement of the gross capital pool investments by the gross capital pool at the beginning of the period. Small difference in calculation may be due to rounding of inputs. This is calculated as follows:

	2024	2023
Opening capital pool	£650.1m	£784.9m
Add back net liabilities not included in Gross Capital Pool	£12.3m	£19.6m
Less SIML cash	£(7.3)m	£(8.2)m
A Opening Gross Capital Pool	£655.1m	£796.3m
Life science net investments and ongoing costs	£(203.8)m	£(185.5)m
B Valuation movement	£22.4m	£44.3m
Closing Gross Capital Pool	£473.7m	£655.1m
Capital Pool return (B/A)	3.4%	5.5%

	2024	2023
Closing Gross Capital Pool	£473.7m	£655.1m
Add back SIML cash	£5.8m	£7.3m
Less net liabilities not included in Gross Capital Pool	£(26.7)m	£(12.3)m
Total Capital Pool	£452.8m	£650.1m

Life science portfolio return

Gross life science portfolio return for 2024 is 2.2 per cent; (2023: (14.3) per cent). This is calculated as follows:

	2024	2023
A Opening life science portfolio	£604.6m	£524.9m
Net investment in the period	£168.5m	£154.7m
B Valuation movement	£13.0m	£(75.0)m
Closing life science portfolio	£786.1m	£604.6m
Life science portfolio return (B/A)	2.2%	(14.3)%

NAV per share

NAV per share is calculated by dividing net assets by the number of shares in issue adjusted for dilution by the potential share based payment share issues. NAV takes account of dividends payable on the ex-dividend date. This is calculated as follows:

	2024	2023
A NAV for the purposes of NAV per share	£1,238,878,132	£1,254,654,716
B Ordinary shares available to trade (note 14)	655,335,586	669,329,324
C Dilutive shares	1,035,451	3,487,581
D Fully diluted number of shares (B+C)	656,371,037	672,816,905
NAV per share (A/D)	188.7p	186.5p

NAV total return

NAV total return ("NAVTR") is a measure of how the NAV per share has performed over a period, considering both capital returns and dividends paid to shareholders. NAVTR is calculated as the increase in NAV between the beginning and end of the period, plus any dividends paid to shareholders in the year. This is calculated as follows:

	2024	2023
A Opening NAV per fully diluted share (note 14):	186.5p	194.4p
B Closing NAV per fully diluted share (note 14):	188.7p	186.5p
C Movement (B-A)	2.2p	(7.9)p
D Dividend paid in the year (note 15):	0.0p	0.0p
E Total movement (B+C-A)	2.2p	(7.9)p
NAV Total Return (E/A)	1.2%	(4.06)%

All alternative performance measures are calculated using non-rounded figures.

ONGOING CHARGES RATIO

The ongoing charges ratio for 2024 is 1.93 per cent (2023: 0.88 per cent). Any small differences in calculation may be due to rounding of inputs. This is calculated as follows:

	2024	2023
Management fee	£16.6m	£12.1m
Directors' remuneration	£0.5m	£0.5m
Auditor's remuneration	£0.3m	£0.3m
Other ongoing expenses	£3.6m	£1.8m
Share based payment expense	£3.0m	£(3.0m)

A. Total ongoing expenses	£24.0	£11.7m
B. Average NAV	£1,244.4m	£1,320.5m
Ongoing charges ratio (A/B)	1.93%	0.88%