

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK IMMEDIATELY YOUR OWN PERSONAL FINANCIAL ADVICE FROM YOUR INDEPENDENT FINANCIAL ADVISER, STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR FROM ANOTHER APPROPRIATELY QUALIFIED AND DULY AUTHORISED INDEPENDENT ADVISER.

If you receive this document in any country or jurisdiction outside the United Kingdom you may not treat it as an invitation to receive new ordinary shares unless such an invitation could lawfully be made to you without Syncona Limited (the 'Company' or 'Syncona') being required to comply with any registration or other legal requirements.

If you have sold or otherwise transferred all of your ordinary shares in the Company ('Shares') prior to 22 June 2018 (the 'Record Date'), please send this document and the accompanying documents at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee, except that such documents should not be sent into any jurisdiction where to do so might constitute a violation of local securities laws, including (but not limited to) the United States.

If you have sold or transferred only part of your holding of Shares in the Company prior to the Record Date, or if you have purchased additional Shares in the Company prior to the Record Date, you should contact your stockbroker, bank or other agent through whom the purchase, sale or transfer was made without delay for advice as to how this document and the accompanying form setting out the process for electing to receive cash instead of shares (the 'Cash Election Form') should be dealt with.

2018 Dividend

Syncona Limited

(a registered closed-ended collective investment scheme regulated by the Guernsey Financial Services Commission and incorporated as a non-cellular company limited by shares under the laws of Guernsey with registration number 55514).

If you are a shareholder of the Company ('Shareholder') who is not an Excluded Shareholder (such shareholders, 'Qualifying Shareholders') and you wish to receive the dividend for the period ended 31 March 2018 (the '2018 Dividend') in Shares on the whole of your holding of Shares, you need take no further action. 'Excluded Shareholders' are Shareholders located in, with a registered address in, or citizens of any of the United States, Australia, Canada, Japan, South Africa or any other jurisdiction in respect of which the offer of new Shares would or may be unlawful.

If, however, you wish to elect to receive the 2018 Dividend in cash on some or all of your Shares, you must complete the enclosed Cash Election Form and return it as soon as possible, but in any case in order to reach the Company's registrar (the 'Registrar'), Link Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 5.00 p.m. on 16 July 2018.

<p>QUALIFYING SHAREHOLDERS WHO WISH TO RECEIVE THE 2018 DIVIDEND IN CASH MUST RETURN A CASH ELECTION FORM. QUALIFYING SHAREHOLDERS WHO DO NOT RETURN A VALIDLY COMPLETED CASH ELECTION FORM WILL RECEIVE THE 2018 DIVIDEND IN SHARES. QUALIFYING SHAREHOLDERS WHO WISH TO RECEIVE THE 2018 DIVIDEND IN SHARES NEED TAKE NO FURTHER ACTION.</p>

If you hold your Shares in certificated form and wish to elect to receive all future dividends in cash in respect of all of your Shares, you should complete Box B of the Cash Election Form. This option is not available to Shareholders who hold their Shares in uncertificated form (that is, through CREST).

Expected timetable

Shares quoted ex dividend	21 June 2018
Record date for the 2018 Dividend	22 June 2018
Final time and date for receipt of Cash Election Forms	5.00 p.m. on 16 July 2018
Posting of cheques for payment of cash dividends	27 July 2018
Dispatch of certificates for new Shares to Qualifying Shareholders holding their existing Shares in certificated form	30 July 2018
CREST accounts of Qualifying Shareholders credited with new Shares	30 July 2018
Expected date for admission of new Shares to the Official List and to trading on the main market of the London Stock Exchange	8.00 a.m. on 30 July 2018

All references to the time in this document are to the local time in the United Kingdom, unless otherwise stated.

The above times and dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a regulatory information service.

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2018 Dividend

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Directors:

Jeremy Tigue (Chairman)
Thomas Henderson
Robert Hutchinson
Nigel Keen
Nick Moss
Gian Piero Reverberi
Ellen Strahman

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27 June 2018

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QUALIFYING SHAREHOLDERS WHO WISH TO RECEIVE THE 2018 DIVIDEND IN SHARES NEED TAKE NO FURTHER ACTION.

Introduction

On 14 June 2018, the Company announced the payment of a dividend in respect of the period ended 31 March 2018 equivalent to 2.3 pence per Share (the '2018 Dividend') to shareholders on the register of members of the Company as at 22 June 2018 (the 'Record Date'). This circular is being sent to you to explain the arrangements in relation to the 2018 Dividend.

The Board has determined that the 2018 Dividend will be paid in the form of new Shares to Qualifying Shareholders, unless they choose instead to receive the 2018 Dividend in cash. For these purposes, 'Qualifying Shareholders' are all Shareholders who are not Excluded Shareholders and 'Excluded Shareholders' are Shareholders located in, with a registered address in, or citizens of any of the United States, Australia, Canada, Japan, South Africa or any other jurisdiction in respect of which the offer of new Shares would or may be unlawful.

Shareholders who are Excluded Shareholders or who elect not to receive payment of the dividend in new Shares will receive the 2018 Dividend in cash.

Qualifying Shareholders should note that the 2018 Dividend is different from a conventional scrip dividend, in that Qualifying Shareholders must actively elect to receive cash instead of Shares in payment of the dividend.

This document sets out the terms on which the 2018 Dividend will be paid to Qualifying Shareholders and the basis on which Shareholders may instead elect to receive the 2018 Dividend in cash and includes the Cash Election Form for that purpose. The right to the 2018 Dividend is non-transferable.

The Company believes that paying the 2018 Dividend, insofar as possible, in Shares is in the Company's best interests, as it will assist in minimising any reduction to the Company's net asset value as a result of the payment of the dividend.

Qualifying Shareholders who receive the 2018 Dividend in Shares should note that they will not receive any cash in respect of the dividend and will be exposed to the risk that the value of the Shares that they receive will depend on the Company's performance going forward. Qualifying Shareholders who elect to receive the 2018 Dividend in cash and Excluded Shareholders should note that their existing shareholdings will be partially diluted by the issue of Shares in payment of the 2018 Dividend.

Terms of the 2018 Dividend

The Board has determined that the number of new Shares that each Qualifying Shareholder will receive in payment of the 2018 Dividend will be calculated by:

- (a) multiplying the number of existing Shares held by that Qualifying Shareholder on the Record Date by the cash amount of the 2018 Dividend per Share; and
- (b) dividing the number resulting from (a) by the scrip reference price (as defined below) and rounding the result down to the nearest whole number.

For these purposes the 'scrip reference price' means the higher of (i) the prevailing average of the middle market quotations of the Shares derived from the Daily Official List of the London Stock Exchange for the ex-dividend date and the four subsequent dealing days and (ii) the net asset value per Share of the Company as at 31 May 2018.

The Board believes that this method of calculation is appropriate for the 2018 Dividend given the significant premium to net asset value at which the Shares are currently trading.

The scrip reference price is expected to be made available to shareholders through the LSE on 29 June 2018.

Fractions of new Shares will not be issued and cash that otherwise would have been applied by the Company in paying up those fractions will be retained by the Company.

The new Shares can be held by Qualifying Shareholders either in certificated form (that is by holding a physical share certificate) or in uncertificated form through CREST.

Issue of the new Shares in payment of the 2018 Dividend is conditional on the listing of the new Shares on the Official List of the UKLA and admission of the new Shares to trading on the London Stock Exchange's main market for listed securities. The new Shares will rank equally in all respects with the existing Shares.

The Board has the power to revoke their decision to pay the 2018 Dividend in new Shares at any time up to 5.00 p.m. (London time) on 25 July 2018. It is envisaged that the Board would only revoke this decision if there is a change in market conditions, a significant fall in the price of the Shares, or an event occurs that in the Board's opinion would materially impact the net asset value of the Company, such that the Board considers that receiving the 2018 Dividend in new Shares would be substantially less beneficial to Qualifying Shareholders or that it would breach applicable regulatory requirements. If the Board does revoke its decision, the 2018 Dividend will be paid entirely in cash.

Action to be taken

Qualifying shareholders who wish to receive the 2018 Dividend in new shares

Qualifying Shareholders who wish to receive the 2018 Dividend in respect of their Shares in the form of new Shares need take no further action and should not complete or return the Cash Election Form.

Qualifying Shareholders who hold their Shares in certificated form will receive a statement, along with a new share certificate, showing the number of new Shares allotted, the relevant scrip reference price and the total cash equivalent value of the new Shares for tax purposes. Qualifying Shareholders who hold their Shares in CREST will have their member accounts credited directly with the new Shares on the dividend payment date or as soon as practicable

thereafter and will separately receive a statement showing the number of new Shares allotted, the relevant scrip reference price and the total cash equivalent value of the new Shares for tax purposes.

Subject to the new Shares being admitted to the Official List of the United Kingdom Listing Authority, and to trading on the London Stock Exchange, Qualifying Shareholders' new share certificates, where Shares are not held in CREST, will be posted at the risk of the relevant Qualifying Shareholder on the same date as the 2018 Dividend is paid.

Qualifying shareholders who wish to receive the 2018 Dividend in cash

All Qualifying Shareholders who wish to receive the 2018 Dividend in cash in respect of some or all of their Shares (whether they hold their Shares through CREST or in certificated form) must complete and return the accompanying Cash Election Form as soon as possible, but in any case in order to reach the Company's registrar, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 5.00 p.m. on 16 July 2018.

Qualifying Shareholders who submit a Cash Election Form who hold their Shares in CREST will receive the 2018 Dividend in cash credited to their CREST account. Other Qualifying Shareholders who submit a Cash Election Form will receive the 2018 Dividend in cash by cheque or, where the Company holds the relevant details for the Shareholder, by BACS payment.

Cheques for the payment of the 2018 Dividend in cash will be despatched on 27 July 2018 or accounts credited via BACS or CREST, as applicable, on 30 July 2018.

Excluded shareholders

All Shareholders who are Excluded Shareholders will receive the 2018 Dividend in cash. 'Excluded Shareholders' are shareholders located in, with a registered address in, or citizens of any of the United States, Australia, Canada, Japan, South Africa or any other jurisdiction in respect of which the offer of new Shares would or may be unlawful.

If you receive this letter in any country or jurisdiction outside the United Kingdom you may not treat it as an invitation to receive the 2018 Dividend in new Shares unless such an invitation could lawfully be made to you without the Company being required to comply with any registration or other legal requirements.

It is the responsibility of any person resident outside the United Kingdom wishing to receive new Shares in payment of the 2018 Dividend to be satisfied as to full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required and observing any other formalities in such territories.

Excluded Shareholders in the United States, Australia, Canada, Japan and South Africa do not need to return a Cash Election Form.

Cheques for the payment of the 2018 Dividend in cash will be despatched on 27 July 2018 or accounts credited as applicable via BACS or CREST on 30 July 2018.

Qualifying Shareholders with more than one registered holding

If a Qualifying Shareholder owns Shares which are registered in more than one holding, or under different member account IDs in CREST, those holdings will be treated for all purposes relating to the 2018 Dividend as separate. In particular, Qualifying Shareholders wishing to receive the 2018 Dividend in cash will need to complete separate Cash Election Forms for each such holding of Shares.

United Kingdom Taxation

The following is a general summary of the UK tax consequences of receiving new Shares in payment of the 2018 Dividend and is based on current UK law and HMRC practice as at the date of this document (and which are subject to change possibly with retrospective effect). It applies only to UK-resident Shareholders who are the beneficial owners of their Shares and who hold their Shares as an investment. The following summary does not address the position of certain classes of Shareholders, such as dealers in securities.

Investors should consult their own professional tax advisers in relation to the tax consequences of receiving the 2018 Dividend in the form of new Shares as this will depend upon their individual circumstances. Shareholders who are in any doubt as to what action to take, or who are subject to tax in a jurisdiction other than the UK, should consult an independent professional adviser.

UK Income Tax, Capital Gains Tax, and Corporation Tax

On the basis of case law, UK resident Shareholders should not receive any income liable to UK income tax or corporation tax to the extent that they receive new Shares. Furthermore, it is understood to be HMRC practice to accept that such Shareholders should not be treated as making any disposal for chargeable gains tax purposes at the time the new Shares are allotted.

Instead the new Shares and the original registered holding of Shares in respect of which the new Shares are allotted (the 'Original Holding') should be treated as a single holding acquired at the time of the Original Holding.

There will be no new allowable expenditure for chargeable gains tax purposes arising in respect of the new Shares and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the new Shares.

A disposal for chargeable gains tax purposes should therefore only arise at the time the Shareholder subsequently disposes of the new Shares or the Original Holding (a 'Subsequent Disposal'). UK resident individual Shareholders may be subject to capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on individual circumstances. UK-resident corporate Shareholders may be subject to corporation tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances.

UK Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or stamp duty reserve tax will be payable on the issue of any new Shares.

Additional information

If all Qualifying Shareholders were to elect to receive the 2018 Dividend in cash (ignoring any dividend waivers) the total cash payable by the Company (including to non-Qualifying Shareholders) would be £15,178,898.

If all Qualifying Shareholders were to receive new Shares in payment of the 2018 Dividend in respect of their entire existing holdings of Shares, then assuming a scrip reference price of £2.25 per Share (being the middle market quotation of the Shares derived from the Daily Official List of the London Stock Exchange on 21 June 2018, the ex-dividend date) approximately 6,746,176 new Shares would be issued (ignoring any dividend waivers and any reduction in respect of fractions), representing 1.02 per cent of the issued ordinary share capital of the Company as at the date of this document.

As at the date of this document the Company may issue up to 219,440,522 new Shares and had 659,952,090 Shares in issue.

The new Shares may be held in certificated or uncertificated form. No temporary documents of title will be issued. The existing Shares are, and the new Shares will be, traded on the Main Market of the London Stock Exchange.

Further copies of this document and the Cash Election Form may be obtained free of charge during normal business hours from Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. All enquiries in respect of the 2018 Dividend should be addressed to the Company's register, Link Asset Services. Shareholders with questions can contact a shareholder helpline on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Payment of the 2018 Dividend is subject to the Company's Articles of Incorporation and is governed by, and its terms are to be construed in accordance with, Guernsey law.