

Syncona Limited

First Quarter Update

17 August 2021

Syncona Ltd, a leading healthcare company focused on founding, building and funding a portfolio of global leaders in life science, today issues its quarterly update covering the period from 31 March 2021 to 30 June 2021.

Martin Murphy, CEO, Syncona Investment Management Limited, said: “We are pleased with the continued positive clinical progress across our companies over the period with Anaveon dosing the first patient in its clinical programme and becoming Syncona’s fifth clinical-stage business.

Whilst we recognise that the share price performance of our listed holdings has brought volatility to our NAV, we remain focused on delivering value over the long-term. Our portfolio is funded to deliver important clinical milestones, which are potential key value drivers for our business over the next 12-24 months. Our companies are executing on their business and clinical plans and we have a high level of conviction in their fundamentals. We also continue to seek a wide range of exciting new opportunities to found and invest in the next generation of globally leading life science businesses.”

Strong clinical progress with five clinical-stage companies and positive data generation

- Freeline Therapeutics (Freeline) dosed a further patient in its second clinical programme in Fabry disease
- Autolus Therapeutics (Autolus) published further encouraging durability data in its AUTO1 programme for adult acute lymphoblastic leukaemia (ALL) and received innovative licensing and access pathway (ILAP) designation from the UK Medicines and Healthcare products Regulatory Agency (MHRA) for AUTO4 in Peripheral T Cell Lymphoma (PTCL)
- Anaveon dosed its first patient in a Phase I/II study of ANV419, a selective interleukin-2 (IL-2) agonist with the potential to target cancer, becoming Syncona’s fifth clinical-stage company within its current portfolio
- SwanBio Therapeutics (SwanBio) commenced a natural history study, which will prospectively evaluate patients to assess the course of adrenomyeloneuropathy (AMN) and provide insights into potential endpoints and designs for future clinical trials

Financial performance impacted by performance of listed holdings; portfolio funded to deliver key clinical data milestones

- Net assets of £1,200.4 million, 178.9p¹ per share, a NAV return of (7.7) per cent in the period
- Life science portfolio valued at £622.4 million (31 March 2021: £722.1 million), a total return of (13.9) per cent in the quarter, driven by the decline in the share prices of Freeline and Achilles Therapeutics (Achilles) with a decrease in the value of these holdings of £110.9 million materially outweighing a £12.8 million valuation uplift from the appreciation of Autolus’ share price
- Listed portfolio companies are funded to deliver further clinical data, which is the key driver of value; share prices of the listed holdings have been volatile but Syncona is focused on the long term and remains confident in the companies’ fundamentals and recent progress
- Capital base of £578.0 million on 30 June 2021

New members of expanded senior leadership team operational

- Fiona Langton-Smith has been working alongside the senior leadership team as Chief Human Resources Officer bringing 20 years’ experience in Human Resources; focusing on organisational development of Syncona and the portfolio
- Post-period end John Bradshaw retired, with Rolf Soderstrom now taking up the role of Chief Financial Officer, bringing 30 years’ experience from senior roles in finance, most recently at BTG plc²

¹ Fully diluted

² Post period events are as at 31 July 2021

- Also, post-period end, Markus John, M.D. took up the role of Chief Medical Officer and Head of R&D bringing 20 years of pharma leadership experience, working with the Syncona team to help expand and build the portfolio

Next key milestones

Calendar year 2021 (CY2021):

- Freeline expects to progress to three clinical stage programmes by year-end CY2021:
 - Initiate Phase I/II dose-confirmation study in Haemophilia B in CY2021, targeting entry to pivotal study mid CY2023
 - Progress dose escalation of Phase I/II dose-finding study in Fabry disease to dose additional patients during CY2021 and present clinical data by year-end
 - Initiate Phase I/II dose-finding study in Gaucher disease Type 1, which is expected to be in the clinic by year-end CY2021
- Gyroscope Therapeutics (Gyroscope) expects to report interim data in CY2021 from its Phase I/II trial for the treatment of dry age-related macular degeneration (Dry AMD)
- Achilles expects to publish interim data in non-small cell lung cancer (NSCLC) and melanoma programmes in CY2021 including detail on the potential to develop a potency-based release assay, and will enrol patients for higher dose clonal neo-antigen therapies in both programmes in second half CY2021 and dose patients in first half CY2022
- Anaveon expects to publish initial data from Phase I/II trial for selective IL-2 agonist before the end of CY2021

Calendar year 2022 (CY2022):

- Autolus expects to progress its pivotal study in AUTO1 adult ALL and provide data update in CY2022
- SwanBio expects to enter the clinic with lead programme in CY2022
- Quell Therapeutics (Quell) expects to enter the clinic with lead programme in FY2021/2

Valuation movements in the quarter

Company	31 Mar 21	Net investment/returned	Valuation change	FX movement	30 June 21	% of Group NAV	Valuation basis ^{3,4,5}	Fully diluted ownership stake	Focus area
	(£m)	(£m)	(£m)	(£m)	(£m)			(%)	
PORTFOLIO COMPANIES									
Clinical									
Gyroscope	150.1	-	-	(0.6)	149.5	12.5	PRI	54	Gene therapy
Freeline	167.9	-	(56.6)	(0.4)	110.9	9.2	Quoted	47	Gene therapy
Autolus	81.2	-	12.8	(0.3)	93.7	7.8	Quoted	25	Cell therapy
Achilles	133.1	-	(54.3)	(0.3)	78.5	6.5	Quoted	27	Cell therapy
Anaveon	18.5	-	-	0.4	18.9	1.6	Cost	51	Immunoncology
Pre-Clinical									
SwanBio	53.7	-	-	(0.2)	53.5	4.5	Cost	75	Gene therapy
Quell	35.1	-	-	-	35.1	2.9	Cost	74	Cell therapy

³ Primary input to fair value

⁴ 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

⁵ 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

Neogene	11.0	-	-	-	11.0	0.9	Cost	11	Cell Therapy
Resolution	7.4	-	-	-	7.4	0.6	Cost	79	Cell therapy
Purespring	3.9	-	-	-	3.9	0.3	Cost	84	Gene Therapy
Drug-Discovery									
OMass	16.4	-	-	-	16.4	1.4	Cost	49	Therapeutics
LIFE SCIENCE INVESTMENTS									
CRT PF	36.6	(1.2)	-	-	35.4	2.9	Adj 3 rd Party	64	Oncology
Adaptimmune	5.3	-	(1.1)	-	4.2	0.3	Quoted	0.1	Cell Therapy
Forcefield	0.4	2.1	-	-	2.5	0.2	Cost	82	Gene Therapy
CEGX	1.5	-	-	-	1.5	0.1	Adj. PRI	9	
Total LS Portfolio	722.1	0.9	(99.2)	(1.4)	622.4	51.8			

Enquiries

Syncona Ltd

Annabel Clay / Fergus Witt

Tel: +44 (0) 20 3981 7940

FTI Consulting

Ben Atwell / Natalie Garland-Collins / Tim Stamper

Tel: +44 (0) 20 3727 1000

About Syncona:

Syncona's purpose is to invest to extend and enhance human life. We do this by founding and building a portfolio of global leaders in life science to deliver transformational treatments to patients in areas of high unmet need.

Our strategy is to found, build and fund companies around exceptional science to create a diversified portfolio of 15-20 globally leading healthcare businesses for the benefit of all our stakeholders. We focus on developing treatments for patients by working in close partnership with world-class academic founders and 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.

Copies of this press release, a company results presentation, and other corporate information can be found on the company website at: www.synconaltd.com

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.