**Syncona Limited**

**First Quarter Update**

*Continued progress and active management of maturing portfolio as late-stage companies approach key milestones*

10 August 2023

Syncona Ltd, a leading healthcare company focused on creating, building and scaling a portfolio of global leaders in life science, today announces its quarterly update covering the period from 01 April to 30 June 2023.

**Chris Hollowood, CEO of Syncona Investment Management Limited, said:** "We are pleased by progress throughout the portfolio during the period, as our companies work towards their next operational, clinical and commercial milestones. The expected late-stage data from our newest company Beacon, and Autolus' upcoming BLA filing, represent significant near-term milestones as our later-stage companies move closer towards bringing products to patients.

Whilst the financing environment for biotech companies continues to be challenging, our capital pool of £613.1 million allows us to support our portfolio companies as they navigate these market conditions and we have also been delighted to see continued strong pharma interest in our portfolio. We have seven clinical-stage companies across our increasingly diversified portfolio and we are confident in their ability to execute on their key milestones. We believe the portfolio offers a significant opportunity to realise our ambition to bring transformational treatments to patients and deliver strong risk-adjusted returns to shareholders."

**Financial performance**

- Net assets of £1,241.8 million (31 March 2023: £1,254.7 million), 184.6p per share (31 March 2023: 186.5p per share), a NAV return of (1.0)% in the period
- Performance in the quarter has been driven by negative foreign exchange movements across the life science portfolio and capital pool with the appreciation of GBP against the dollar leading to an overall net impact of £(14.8) million
- Life science portfolio valued at £628.7 million (31 March 2023: £604.6 million); with the impact of foreign exchange partially offset by an aggregate uplift of £9.8 million, primarily driven by an increase in the share price of Autolus Therapeutics (Autolus)
- £24.4 million deployed in the period; capital pool of £613.1 million at 30 June 2023 (31 March 2023: £650.1 million)

**Syncona portfolio continues to attract pharma validation for highly innovative platform**

- Quell Therapeutics (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
    - Quell will receive $85 million upfront which comprises a predominant cash payment and equity investment, plus potential payments of over $2 billion contingent on development and commercial milestones, plus tiered royalties. Quell will retain full rights to its lead QEL-001 programme in liver transplantation

**Positive clinical and operational progress across portfolio with seven clinical-stage companies**

*Late-stage clinical company progress*

- Autolus announced positive data updates across its portfolio of candidates including in its lead programme, obe-cel in relapsed/refractory (r/r) adult B-Cell acute lymphoblastic leukaemia (B-ALL), as it approaches a Biologics License Application (BLA) filing with the FDA in H2 CY2023
- Beacon Therapeutics (Beacon) continues to progress the clinical strategy for its pivotal Phase II/III VISTA trial in X-linked retinitis pigmentosa (XLRP) having demonstrated meaningful efficacy and a good safety profile in the recent Phase I/II HORIZON trial

*Clinical company progress*

- Freeline Therapeutics (Freeline) dosed its first patient with FLT201, its novel gene therapy candidate for Gaucher disease
- SwanBio Therapeutics (SwanBio) dosed two patients in its Phase I/II trial of its SBT101 gene therapy in adrenomyeloneuropathy (AMN)
- Anaveon has continued to progress its lead asset AN419 across its Phase I/II trial in metastatic melanoma, alongside its Phase I/II dose-finding trial in multiple solid tumour types
    - Additionally, the company has halted development of a separate Phase I/II trial in multiple myeloma for strategic reasons

**Key upcoming milestones in FY2023/4**

*Late-stage clinical companies*

- Autolus expects to:
    - Progress its pivotal study in obe-cel in adult r/r B-ALL, with further long-term follow up data in H2 CY2023 and a BLA filing with the FDA expected in H2 CY2023
    - Publish initial data from the trial of AUTO8, Autolus' next-generation product candidate for multiple myeloma, in H2 CY2023
    - Initiate a Phase I study of obe-cel in refractory systemic lupus erythematosus (SLE) in early CY2024, extending use of obe-cel into autoimmune diseases
- Beacon expects to release 12-month data from its Phase II trial in XLRP in H2 CY2023

*Clinical companies*

- Anaveon expects to:
    - Announce further data from its Phase I/II dose finding trial of ANV419 in solid tumours in H2 CY2023
    - Publish initial data from its Phase I/II trial of ANV419 in metastatic melanoma in CY2024
- Achilles Therapeutics (Achilles) expects to provide further data from the higher dose clinical cohorts of the Phase I/IIa clinical trials of its cNeT therapy in NSCLC and melanoma in Q4 CY2023
- Quell expects to complete the dosing of the safety cohort in its lead programme, QEL-001, in H2 CY2023
- SwanBio has dosed two patients in its Phase I/II AMN programme and Syncona continues to work with the company on a range of financing options
- Freeline expects to report initial data in the Phase I/II dose-finding trial in Gaucher disease in H2 CY2023

**Valuation movements in the quarter**

| Company | 31 Mar 2023 | Net investment in the period | Valuation change | FX movement | 30 Jun 2023 | % of Group NAV | Valuation basis[1,2,3] | Fully diluted owner-ship stake | Focus area |
|---|---|---|---|---|---|---|---|---|---|
| | (£m) | (£m) | (£m) | (£m) | (£m) | | | (%) | |
| **Strategic portfolio companies** | | | | | | | | | |

[1] Primary input to fair value
[2] 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
[3] 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

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|---|---|---|---|---|---|---|---|---|---|
| ***Late-stage clinical*** | | | | | | | | | |
| Autolus | 50.0 | 0.0 | 15.0 | (2.2) | 62.8 | 5.0% | Quoted | 17.9% | Cell therapy |
| Beacon | 60.0 | 0.0 | 0.0 | 0.0 | 60.0 | 4.8% | PRI | 70.1% | Gene therapy |
| ***Clinical*** | | | | | | | | | |
| Quell | 86.7 | 0.0 | 0.0 | (2.5) | 84.2 | 6.8% | PRI | 34.0% | Cell therapy |
| SwanBio | 58.2 | 9.4 | 0.0 | (1.4) | 66.2 | 5.3% | Adjusted Cost | 80.0% | Gene therapy |
| Anaveon | 64.2 | 0.0 | 0.0 | (0.5) | 63.7 | 5.1% | PRI | 38.0% | Biologics |
| Achilles | 8.6 | 0.0 | (0.1) | (0.2) | 8.3 | 0.7% | Quoted | 24.5% | Cell therapy |
| Freeline | 14.1 | 0.0 | (8.7) | (0.3) | 5.1 | 0.4% | Quoted | 49.2% | Gene therapy |
| ***Pre-clinical*** | | | | | | | | | |
| OMass | 43.7 | 0.0 | 0.0 | 0.0 | 43.7 | 3.5% | PRI | 28.9% | Small molecules |
| Resolution | 23.0 | 14.9 | 0.0 | 0.0 | 37.9 | 3.1% | Cost | 81.1% | Cell therapy |
| Purespring | 35.1 | 0.0 | 0.0 | 0.0 | 35.1 | 2.8% | Cost | 84.0% | Gene therapy |
| Clade | 24.3 | 0.0 | 0.0 | (0.7) | 23.6 | 1.9% | Cost | 22.4% | Cell therapy |
| Mosaic | 7.3 | 0.0 | 0.0 | 0.0 | 7.3 | 0.6% | Cost | 52.4% | Small molecules |
| Kesmalea | 4.0 | 0.0 | 0.0 | 0.0 | 4.0 | 0.3% | Cost | 57.5% | Small molecules |
| **Portfolio milestones and deferred consideration** | | | | | | | | | |
| Gyroscope milestone payments[4] | 54.5 | 0.0 | 1.6 | (1.6) | 54.5 | 4.4% | DCF | | Gene therapy |
| Beacon deferred consideration | 15.9 | 0.0 | 0.0 | 0.0 | 15.9 | 1.3% | DCF | | Gene therapy |
| Neogene milestone payments[5] | 0.0 | 0.0 | 2.1 | (0.1) | 2.0 | 0.2% | DCF | | Cell therapy |
| **Syncona investments** | | | | | | | | | |
| CRT Pioneer Fund | 32.8 | 0.1 | 0.1 | 0.0 | 33.0 | 2.7% | Adj Third Party | 64.1% | Oncology |
| Biomodal[6] | 18.5 | 0.0 | 0.0 | (0.6) | 17.9 | 1.4% | PRI | 5.5% | Epigenetics |
| Forcefield | 2.5 | 0.0 | 0.0 | 0.0 | 2.5 | 0.2% | Cost | 82.0%[7] | Biologics |

[4] Syncona's risk-adjusted and discounted valuation of the milestone payments from the sale of Gyroscope Therapeutics
[5] Syncona's risk-adjusted and discounted valuation of the milestone payments from the sale of Neogene Therapeutics
[6] Formerly CEGX
[7] Fully diluted ownership of Forcefield Therapeutics at 31 March 2023 has been amended to 82.0%, from previously announced figure of 93.2%

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|---|---|---|---|---|---|---|---|---|---|
| Adaptimmune | 1.2 | 0.0 | (0.2) | 0.0 | 1.0 | 0.1% | Quoted | 0.8% | Cell therapy |
| **Total Life Science Portfolio** | **604.6** | **24.4** | **9.8** | **(10.1)** | **628.7** | **50.6%** | | | |
| | | | | | | | | | |
| **Capital pool** | **650.1** | **(34.2)** | **1.9** | **(4.7)** | **613.1** | **49.4%** | | | |
| **TOTAL** | **1,254.7** | **(9.8)** | **11.7** | **(14.8)** | **1,241.8** | **100%** | | | |
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**About Syncona**

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

Our strategy is to create, build and scale companies around exceptional science to create a diversified portfolio of 20-25 globally leading life science businesses, across development stage, modality and therapeutic areas, 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.

*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.*