

# Third quarter update webinar

February 2024

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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.

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Syncona Limited seeks to achieve returns over the long term. 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. The timing of positive or negative outcomes is uncertain and investors should be aware that over shorter periods our returns are likely to be volatile. The price of shares in Syncona Limited is determined by market supply and demand, and may be volatile in response to changes in demand and different to the net asset value.

# Overview of Q3

Rigorous capital allocation and active portfolio management to deliver key value inflection points

## NAV per share return of 5.4% reported in the quarter

- › Performance driven by the £111.1m increase in the value of Autolus, outweighing the partial write down of our holding in Anaveon to £24.9m (£42.8m decline in value)
- › Nine-month NAV per share return of 0.9%

## Prioritising capital access across the portfolio to enable the delivery of key value inflection points

- › Macroeconomic environment continues to be challenging for biotech companies both in terms of cost and access to capital, bringing both opportunity and financing risk
- › Proactively managing the portfolio to ensure companies can deliver key value inflections which will drive long-term NAV growth

## Continued focus on identifying transformational science to deliver long-term growth

- › In advanced stages of diligence on two new opportunities in oncology; with one an early-stage opportunity and the second a clinical stage company

## Operational and governance changes

- › Rolf Soderstrom, Chief Financial Officer (CFO) of Syncona Investment Management Limited (SIML) is moving to the role of Executive Partner, where he will support the Leadership and Investment teams whilst remaining on the Board of SIML and as Chair of the Valuation Committee
- › Kate Butler, Group Finance Director of SIML will take up the role of CFO of SIML, effective 1 April 2024. Kate joined Syncona in September 2022 and brings with her a wealth of experience from previous finance leadership roles at Vectura Group plc and Gilead Sciences, Inc.

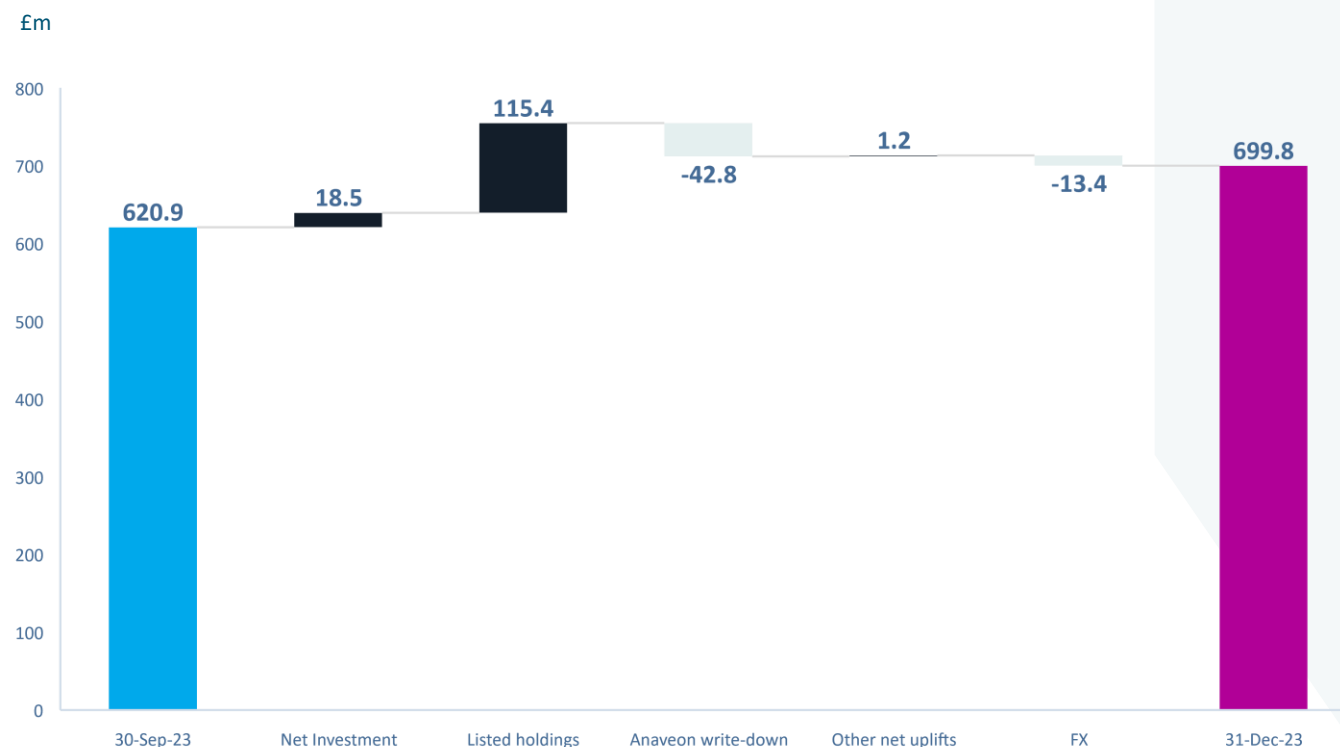
# Performance in Q3

Net assets of £1.25bn – a NAV per share return of 5.4% in the period

## Performance driven by the increase in the value of our holding in Autolus

- › Life science portfolio valued at £699.8m, a return of 9.7% in the quarter and 3.0% for the nine months
- › Value of Autolus increased following recent clinical and regulatory progress in lead obe-cel therapy, following BLA filing in November
- › Outweighs impact from partial write-down in holding of Anaveon, following company's strategic decision to focus on pre-clinical ANV600 programme
- › Capital pool of £551.2m; £18.5m deployed in the quarter and £77.2m in the year to date
- › We continue to expect to deploy £150-200m into the portfolio and pipeline this financial year

## Life science NAV bridge



# Positive clinical progress across the portfolio

Continued positive momentum as companies achieve milestones

## Positive clinical progress with 69% of value in the strategic life science portfolio in clinical stage companies

- Nine clinical data read outs in the period with two post period end
- Positive data published from Autolus and Beacon Therapeutics during the period and post period end
- The University of Edinburgh published data, which will support Resolution Therapeutics upcoming entry into a Phase I/II clinical trial in its lead macrophage cell therapy programme
- Freeline announced further data post period end from the company's Gaucher disease programme



# Actively managing our portfolio

## Prioritising capital access across the portfolio to enable delivery of key inflection points

### Decisive action to maximise value

- › Anaveon has taken the strategic decision to focus on its next generation compound ANV600
- › Reflecting that this programme is pre-clinical, Syncona and the syndicate of investors have adjusted the price of the most recent funding tranche
- › This price adjustment has resulted in a write-down of Syncona's holding in Anaveon to £24.9m (£42.8m decline in value)
- › Strategic action ensures Anaveon is now funded to deliver its next key value inflection point

### Challenging market conditions provide opportunity

- › Agreement with Freeline to acquire all of the shares of Freeline that Syncona does not currently own in an all-cash transaction that values the entire issued share capital of Freeline at c.\$28.3 million
- › Approved by the required majority of Freeline shareholders on 12 Feb for Syncona to take Freeline private
- › Proactive action enables best route to risk-adjusted returns

### Driving capital discipline within the portfolio

- › Focused on ensuring capital efficiency and extending runways where possible
- › Ensuring portfolio companies are executing on its milestones
- › Widening financing syndicates and exploring creative sources of finance
- › Syncona is funded to deliver expected milestones and value inflection points in the portfolio that it believes have the potential to drive access to capital and NAV grow



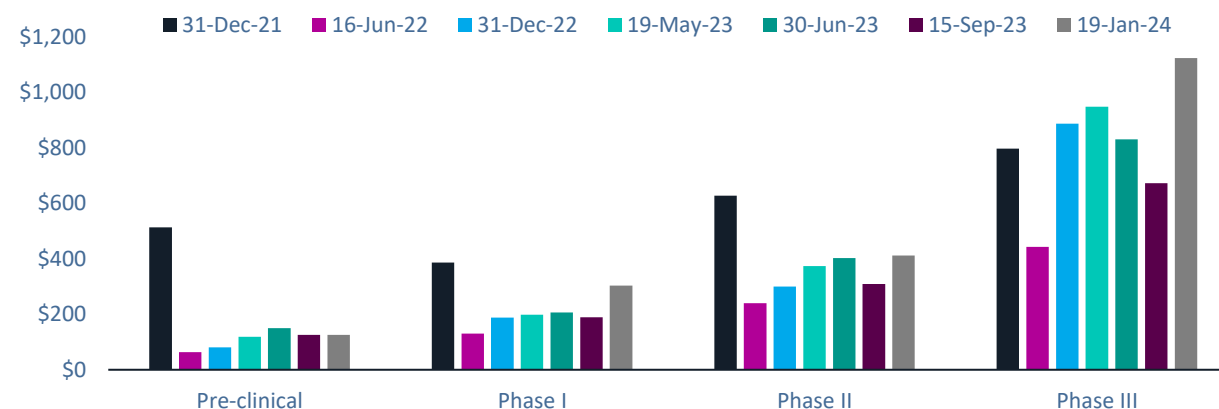
# Market conditions remain challenging but value returning at late stage

## Market activity beginning to normalise

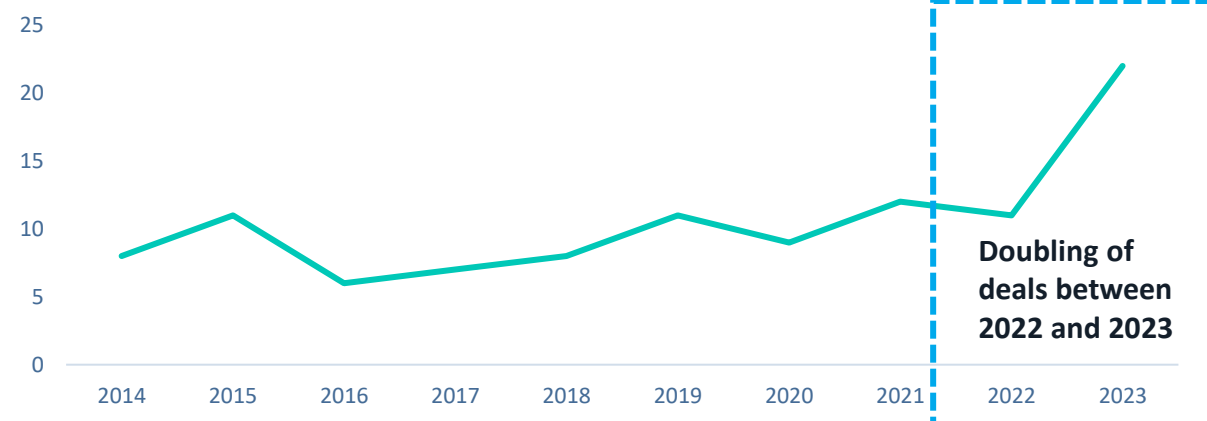
### Private and public financing environment remains challenging

- Valuations are recovering in companies developing late-stage assets in the public markets and moving beyond levels seen in last 18-24 months
- Financing challenges remain for clinical and pre-clinical companies – reflecting importance of focusing on commercial opportunity
- Within private market down rounds across Series A-C are more common
- Long-term structural trends and recent market activity underline the key role played by biotech in drug development
  - Pharma continues to be reliant on biotech for product development, with +\$200bn in US pharma revenue at risk of patent expiry in the second half of the decade
  - Number of recent late-stage deals where big pharma have acquired biotech companies at attractive multiples, with a significant recovery in deal flow in 2023 vs 2022

Average Enterprise Value of a Biotech listed on US exchanges by stage of development<sup>2</sup>



Biopharma M&A activity – number of transactions valued +\$1bn<sup>2</sup>



# Autolus update

Company now funded to deliver obe-cel's onward path

## Strategic collaboration

- › Strategic collaboration announced between Autolus and BioNTech, aimed at advancing both companies' autologous CAR-T programs towards commercialisation, pending regulatory authorisations

## Significant investment by BioNTech

- › BioNTech to invest \$200 million in Autolus, in addition to an upfront cash payment of \$50 million under a license and option agreement and a securities purchase agreement for access to a number of rights across Autolus' pipeline

## Further approximately \$350m raised via underwritten offering

- › Autolus also announced the pricing of its underwritten offering in the United States of 58,333,336 American Depositary Shares (ADS) at a public offering price of \$6.00 per ADS, for total gross proceeds of approximately \$350 million







Proceeds will enable Autolus to advance the clinical development of its obe-cel program and fund manufacturing activities for obe-cel along with developing its commercial infrastructure and working capital and other general corporate purposes



# Key value inflection points with potential to drive NAV

Syncona is funded to delivered key value inflection points

- 11 expected milestones across the portfolio over the **next 12 months** which have the potential to enable capital access
- Six value inflection points which have the potential to drive significant NAV growth over the **next 12-36 months**
- These are not without risk, particularly given the importance of delivering de-risking clinical data in the current market environment

Milestone stage	CY2024	CY2025	CY2026
On the market 		Traction in Autolus' commercial launch of obe-cel in Adult ALL, dependent on FDA regulatory approval in CY2025	
Definitive data 	Beacon to present 24-month data from its Phase II trial in XLRP in H2 CY2024		
 	Freeline to release additional data from its Phase I/II trial in Gaucher disease in H2 CY2024		Resolution to complete Phase I/II trial in liver cirrhosis in CY2026
Emerging data  		Proof of concept data from Quell's liver transplant study in CY2025	Anaveon to publish data from its next generation ANV600 asset in CY2026

# Scaling our net assets

Committed to delivering our long-term strategy against a challenging market backdrop

**3 new companies a year**

We expect this target to incorporate late-stage opportunities or a significant transaction

**Portfolio of 20-25 leading life sciences companies**

Portfolio increasingly diversified by stage, therapeutic area and modality

**3-5 companies to late-stage development where Syncona is a significant shareholder**

Bringing in aligned co-investors, while maintaining strategic influence

**Continue to expect to deploy £150-200m into our portfolio and pipeline this financial year**

## Targets

**3 new companies p.a.**

**20-25**  
companies

**3-5 products to late-stage development**

**£5bn**

Net Assets by 2032

# Summary

## Opportunity to deliver value in our portfolio and pipeline remains compelling

- › The macroeconomic environment has been and remains challenging for biotech companies both in terms of the cost of and access to capital
- › We remain resolutely focused on disciplined capital allocation and active portfolio management to drive NAV growth
- › We have six potential value inflection points across the portfolio over the next 12-36 months and are funded to deliver these
- › Our balance sheet will also enable us to continue to start new companies on the frontier of science that will lead the industry over the next decade
- › We are focused on delivering our 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
- › We are well positioned to emerge from the current environment in an exciting position and deliver strong risk-adjusted returns for shareholders

# Appendices



# Team driving value across the portfolio

Deep technical scientific background, supplemented by strong commercial experience ranging from venture capital investment to pharmaceutical launch



## Senior investment team



**Chris Hollowood**  
CEO



**Roel Bulthuis**  
Managing Partner



**Ed Hodgkin**  
Managing Partner



**Elisa Petris**  
Lead Partner



**Magdalena Jonikas**  
Lead Partner

## Executive Partner Group



**John Tsai**  
Experienced clinical leader and former CMO of Novartis















**Ken Galbraith**  
Experienced biotech executive, Chair/CEO of multiple companies



**Lisa Bright**  
Commercial leader with experience launching innovative medicines

Senior investment team supported by Executive Partner Group in driving delivery across the portfolio

- The senior investment team has over 108 years of experience and is supported by a wider investment team of six people; 83% of the investment team have PhDs
- Executive Partner Group made up of senior industry leaders, who are focused on supporting portfolio companies as they scale
- Strong network in life science, enabling the best talent to be attracted at the level of Syncona's portfolio companies.
- Alongside investment team sits a highly skilled corporate function with strong operating capability

Portfolio company	Fully diluted ownership %	30 Sep 2023 value £m (fair value)	Net invested/returned in the period £m	Valuation change £m	FX movement £m	31 Dec 2023 value £m (fair value)	Valuation basis (fair value) <sup>1,2</sup>	% of NAV
	17.5%	64.0	-	111.1	(5.5)	169.6	Quoted	13.5%
	65.3%	75.0	-	-	-	75.0	PRI	6.0%
	33.7%	87.7	-	-	(3.7)	84.0	PRI	6.7%
	80.0%	77.4	-	0.6	(3.4)	74.6	Cost	6.0%
	49.7%	8.8	8.0	4.5	(0.7)	20.6	Quoted/cost <sup>3</sup>	1.6%
	24.5%	8.3	-	(0.2)	(0.3)	7.8	Quoted	0.6%
	82.9%	35.1	9.9	0.1	-	45.1	Cost	3.6%
	32.7%	43.7	-	-	-	43.7	PRI	3.5%
	81.6%	37.9	-	-	-	37.9	Cost	3.0%
	37.9%	64.9	-	(42.8)	2.8	24.9	PRI	2.0%
	21.7%	24.6	-	-	(1.1)	23.5	Cost	1.9%
	71.8%	12.0	-	-	-	12.0	Cost	1.0%
	52.4%	7.3	-	-	-	7.3	Cost	0.6%
Milestones and deferred consideration		16.2	-	0.5	(0.7)	16.0	DCF	1.3%
Syncona Investments		58.0	0.6	-	(0.8)	57.8		4.6%
Capital pool		580.4	(34.4)	9.8	(4.6)	551.2		44.1%
<b>Total</b>		<b>1,201.3</b>		<b>83.6</b>	<b>(18.0)</b>	<b>1,251.0</b>		<b>100.0%</b>

1. 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. 2 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 3. As of 31 December, £8.0m of the value of Freeline was in relation to a convertible loan valued at cost. The value of Syncona's shares held in Freeline was £12.6m, valued at the quoted market price