Syncona Limited

Final Results for the Year Ended 31 March 2022

Pivotal year further validating the Syncona model; positive progress and momentum delivered across the portfolio against a challenging macro backdrop

16 June 2022

Syncona Ltd, ("Syncona"), a leading healthcare company focused on founding, building and funding a portfolio of global leaders in life science, today announces its Final Results for the year ended 31 March 2022.

Martin Murphy, CEO and Chair, Syncona Investment Management Limited, said: "This year marks an important milestone for Syncona, a decade since it was founded. I am proud of our achievements over the last 10 years, which have validated the vision we set out in 2012, to build globally leading life science companies that have the potential to deliver transformational outcomes for patients.

Whilst we have seen underperformance across our listed holdings in this financial year and macroeconomic headwinds have impacted sentiment in the biotech sector, our model has continued to deliver notable successes in the period. We have worked closely with our companies to continue to drive progress, investing at scale into the portfolio and generating valuation uplifts across our privately held companies. Our companies raised more than $700 million across seven financings during the financial year, ensuring they are well funded to deliver on key upcoming milestones. We also executed our largest transaction to date, the sale of Gyroscope to Novartis for up to $1.5 billion including milestones. Our strengthened balance sheet is an important competitive advantage, particularly in challenging market conditions, and will allow us to continue to pursue new investment opportunities, whilst supporting our existing portfolio companies as they scale.

The future for the life science industry in the UK and across Europe is exciting and our platform is well-placed to capture the significant opportunity ahead."

Financial performance

- Net assets of £1,309.8 million (31 March 2021: £1,300.3 million); 194.4p[1] per share (31 March 2021: 193.9p per share), a NAV total return of 0.3 per cent[2] (31 March 2021: 4.4 per cent)
    - The sale of Gyroscope Therapeutics (Gyroscope) and valuation write ups from Series B financings of Quell Therapeutics (Quell), Anaveon and OMass Therapeutics (OMass) drive £274.8 million (41p per share) valuation uplift
    - Performance offset by decline in share prices of our listed portfolio companies Autolus Therapeutics (Autolus), Achilles Therapeutics (Achilles) and Freeline Therapeutics (Freeline) in a period of significant market volatility, with the value of these holdings reducing by £278.5 million
- Life science portfolio, valued at £524.9 million (31 March 2021: £722.1 million), a 0.8 per cent return[3] (31 March 2021: 11.8 per cent return); delivering a return in challenging market conditions for biotech[4]
- Strengthened capital base of £784.9 million at 31 March 2022 (31 March 2021: £578.2 million) following sale of Gyroscope to Novartis
- Deployed £123.2 million[5] of capital in the year (31 March 2021: £189.2 million)

[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] Life science portfolio return takes into consideration upfront cash proceeds of £325.8m from the sale of Gyroscope to Novartis, as well as the £49.8m valuation of the discounted risk-adjusted milestone payments
[5] Alternative performance measure, please refer to glossary

Sale of Gyroscope to Novartis for up to $1.5 billion, demonstrating growing track record of success[6]

- Syncona's largest transaction to date and the UK's fourth largest biotech exit; builds on successful track record with the three sales from Syncona's portfolio generating returns of >£930 million, an aggregate 4.6 multiple on invested capital[7]
- Transaction included $800.0 million (£589.4 million) in upfront cash proceeds, which represents $442.2 million (£325.8 million) for our holding in Gyroscope delivering a 2.9 multiple on cost and 50 per cent IRR in the six years following its foundation[8]
- The sale of Gyroscope will potentially generate a further £255.3 million for Syncona, through future milestone payments which, if received, would take total proceeds to £581.1 million, a 5.1 multiple on cost
- The upfront cash proceeds and the value of the discounted risk-adjusted milestone payments represent an uplift to NAV of £225.5 million to Syncona's 31 March 2021 valuation of Gyroscope
- Syncona also positioned to benefit from any future commercialisation of Gyroscope's lead programme via a low single-digit royalty on future sales revenue

Multiple financings across the portfolio at valuation uplifts, with $712.2 million of capital raised in the financial year

- Portfolio raised $712.2 million (£531.8 million) of commitments across seven financings during the period; $585.8 million (£434.1 million) raised from global institutional investors and companies, with $126.4 million (£97.7 million) committed by Syncona
- Two further Series B financings announced post period end:
  - OMass raised £75.5 million in a syndicated round, with Syncona committing £15.0 million at a 32 per cent valuation uplift to previous holding value
  - SwanBio Therapeutics (SwanBio) raised $55.9 million, with Syncona committing $53.7 million
- Our diversified portfolio of 11 companies is well positioned and funded to deliver on its key upcoming milestones

Positive clinical progress and upcoming clinical milestones have potential to drive value over the next 12 months

- 12 clinical data read-outs during FY2021/2 with our most clinically advanced company, Autolus, approaching a meaningful read-out from its pivotal trial in obe-cel in H2 CY2022
- Seven clinical stage companies expected in the next 12 months, with Quell, SwanBio and Neogene Therapeutics (Neogene) set to enter the clinic

Next generation cell therapy company, Clade Therapeutics (Clade), added to the portfolio, and a strong pipeline of new opportunities

- $87.1 million Series A financing in November 2021 into new portfolio company Clade, with a $30.0 million commitment from Syncona
- Excited by the diverse opportunities for new investment that we continue to see across therapeutic and domain areas, including in gene therapy, cell therapy, small molecules, biologics, antibodies, and other Third Wave modalities such as nucleic acid therapies

[6] All IRR and multiple on cost figures are calculated on a gross basis, reflects original Syncona Partners capital invested where applicable

[7] Includes sales of Blue Earth, Nightstar and Gyroscope, reflects original Syncona Partners capital invested where applicable. Includes upfront proceeds from sale of Gyroscope. All IRR and multiple on cost figures are calculated on a gross basis

[8] FX rates taken at receipt of funds from the transaction

Strengthening the Syncona team to scale the business

- Three appointments to the senior leadership team, including Rolf Soderstrom as Chief Financial Officer, Markus John, M.D. as Chief Medical Officer and Head of R&D, and Fiona Langton-Smith as Chief Human Resources Officer
- Two further additions to the senior investment team: Lisa Bright as Commercial Advisor and Ben Woolven as Business Strategy and Operations partner

Delivering on our strategy to build a diversified portfolio of leading life science companies and deliver strong risk-adjusted returns

Optimised financing approach

As outlined in our interim results in November 2021, as we build Syncona towards our target of having a diversified portfolio of 15-20 companies, we are evolving our approach to funding our companies to optimise the balance of risk and reward across the portfolio and further leverage our competitive differentiation in identifying science, defining commercial opportunity, and building a company around it. This optimised approach will involve holding a small number of companies privately for longer, whilst syndicating others at an earlier stage before the point of clinical validation.

Capital deployment to increase in FY2022/3

Syncona's strengthened capital base, following the Gyroscope sale, provides us with a strategic advantage, particularly in the current market environment. We expect to deploy £150-£250 million of capital in FY2022/3 as we found new companies, invest in our existing portfolio, and hold a select number of companies privately for longer as part of the evolution of our financing approach. We continue to maintain a disciplined approach to capital allocation.

Key upcoming milestones

Positive data generated from our clinical pipeline will be the main driver of value and, while not without risk, we have a number of portfolio companies approaching key clinical milestones.

- **Autolus** expects to:
  - Progress its pivotal study in obe-cel in r/r adult ALL and provide a meaningful data read-out in H2 CY2022; full data expected H1 CY2023
  - Announce longer follow-up data for AUTO1/22 in paediatric ALL in H2 CY2022
- **Achilles** expects to provide interim data from higher dose clinical cohorts of its cNeT therapy in NSCLC and melanoma in H2 CY2022
- **Freeline** expects to make progress across its three programmes:
  - Initial data from first cohort in Phase I/II dose confirmation study in haemophilia B to be presented at Congress of the International Society on Thrombosis and Haemostasis (ISTH) in July 2022
  - Initiate second cohort of Phase I/II Fabry disease programme in mid-CY2022, programme update expected in H2 CY2022
  - Report initial data from Phase I/II Gaucher disease Type 1 programme in H2 CY2022
- **Anaveon** expects to publish further data from its Phase I trial for its selective IL-2 agonist, ANV419, in H2 CY2022
- **Quell** expects to dose the first patient in its lead programme, QEL-001, in H2 CY2022
- **SwanBio** expects to enter the clinic with its lead SBT101 programme in adrenomyeloneuropathy (AMN) in H2 CY2022
- **Neogene** expects to enter the clinic with its NT-125 TCR therapy in advanced solid tumours in H1 CY2023

Enquiries

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About Syncona

Syncona's purpose is to invest to extend and enhance human life. We do this by founding and building companies 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, across development stage 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.

Copies of this press release 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.

Chair statement, Melanie Gee

This was a pivotal year for Syncona. We completed our third successful exit, added a new company to the portfolio, optimised our financing approach, strengthened our team and capital base, and made positive financial, clinical and operational progress in the portfolio. I'm proud that the team achieved this while navigating continued COVID-19 constraints and volatile market conditions for much of the year, overcoming these challenges to deliver significant progress towards our long-term goals.

Financial performance

The second half of CY2021 was marked by significant volatility across equity markets globally. This uncertainty has carried on into 2022, compounded by concerns around inflation, interest rates and Russia's invasion of Ukraine and the ongoing humanitarian crisis. This has impacted investor sentiment towards risk assets. We have seen a macro rotation away from growth stocks, impacting both valuations and financings of biotech companies, especially smaller, earlier stage companies. As market volatility has increased, the Syncona team continues to carefully review

the requirements of each of our portfolio companies and our capital pool to ensure that our Company is well positioned to navigate continuing challenging markets. Our balance sheet provides us with a strategic advantage, and the team's expertise and rigorous approach to risk management means we continue to take a disciplined approach to capital allocation across a well-funded portfolio and exciting pipeline.

Syncona ended the year with net assets of £1,309.8 million or 194.4p per share, a 0.3 per cent return in the year (31 March 2021: net assets of £1,300.3 million, NAV per share of 193.9p, 4.4 per cent return), despite the wider market backdrop for life science companies, which saw the NASDAQ Biotechnology Index decline 12 per cent during the period. The significant NAV uplift achieved through the sale of Gyroscope to Novartis and multiple successful private financings offset the decline in share prices of our three listed companies, Autolus, Freeline and Achilles. We recognise that the performance of these listed companies has been disappointing for our shareholders. Our team have worked closely with portfolio company management teams to support them as they continue to execute their development plans. Similarly, the challenging market conditions have also impacted Syncona's share price performance in the financial year, which has been disappointing. Whilst the market environment for early stage biotech companies continues to be challenging, our listed companies are funded to deliver clinical data which represent key milestones for their businesses, and we believe Syncona is well positioned to deliver growth over the long term.

Delivering our long-term strategy underpinned by a disciplined approach to capital allocation

Ensuring we have a strong capital base to support our companies, as they scale and access the significant value that can be created when companies are set up and built to deliver products to patients, is fundamental to the Syncona model. This is a key strategic advantage that has been considerably strengthened with the sale of Gyroscope.

Together with the management team, the Syncona Board has undertaken a review of our financing strategy and, as outlined in our interim results in November 2021, we have optimised our approach to support us in shaping the balance of financial risk and reward across the portfolio as we build towards a diversified portfolio of 15-20 companies. We believe holding a small number of companies privately over a longer time frame than we have historically will provide our shareholders with improved risk-adjusted returns over the long term.

Our role in society and engaging our major stakeholders

Whilst a core focus is looking at how to deliver value for our shareholders, the Board and the investment team have continued to engage with our major stakeholders over the year. Our people are highly motivated by making a difference to the lives of patients by founding and building companies based on exciting science. We believe our work can have a positive social impact across different areas of society. I was particularly pleased that the discussions we had around the decision to sell Gyroscope to Novartis considered the impact of the change in ownership on each of our key stakeholder groups, critically from a patient perspective. Our view was that Novartis has the capability and expertise to drive Gyroscope's exciting therapies through the development and regulatory pathway to reach patients on an accelerated trajectory.

A core part of our social contribution, outside of the day-to-day work that we do, has always been our donation (currently 0.35 per cent of NAV) to charity delivered primarily through our commitment to The Syncona Foundation (the "Foundation"). The Foundation continues to have a significant impact across the UK and throughout the world. The charities the Foundation supports have faced immense challenges throughout the pandemic, and we are proud that our support has helped them to continue their important work during this time.

Sustainable impact

Following the publication of our Sustainability Policy and Responsible Investment Policy last year, the team have worked with passion and dedication to advance our sustainability agenda this year. I have been delighted to see the progress that has been made in engaging our portfolio companies on these important issues. We recognise, as significant shareholders in these businesses, the influence we can have, and have engaged them on a number of important topics such as diversity and animal welfare. The leadership teams at our portfolio companies have positively engaged with us and share our priorities. We expect to report on their progress in these areas as they move forward.

There has also been good progress on our own culture and diversity initiatives. These will be covered in further detail in our Sustainability Report 2022. I am proud of the progress the Company has made in trying to improve diversity in the life science space, whilst recognising it is an area where we have more work to do.

We recognise the importance of having a strong framework in place to minimise our carbon footprint. With this in mind, Syncona has reported this year for the first time in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It has also set an aspiration to be net zero amongst its full value chain by 2050, including portfolio company emissions.

Governance changes

As Syncona entered its 10th year since foundation, there have been a number of Board changes, with Nigel Keen and Nicholas Moss stepping down as Non-Executive Directors on 31 December 2021, whilst Tom Henderson stepped down at the 2021/2 Annual General Meeting. Nigel was the founding Chair of Syncona Partners in 2012 while Nicholas had been a Director of Syncona (then BACIT) when it originally listed in that year; both made invaluable contributions to the business over their nine-year tenures and leave with our immense gratitude for their service and with the Company well positioned for future growth. Tom also made a significant contribution to the business during his time with us and we have been delighted that he has continued his involvement with Syncona through his Chair role at The Syncona Foundation. Following their departures, Virginia Holmes has taken up the role of Senior Independent Director and Gian Piero Reverberi became Chair of the Remuneration Committee, whilst Martin Murphy has taken over the role of Chair of Syncona Investment Management Limited.

We have also appointed two Directors with significant life science experience to enhance the diverse blend of expertise and insights that the Board provides to the management team as they seek to expand and develop a maturing portfolio. Dr Julie Cherrington comes with a strong track record of bringing drugs into the clinic and through to commercialisation, with particular expertise in the oncology setting, and Dr Cristina Csimma joins Syncona with nearly 30 years' experience of drug development, new company formation, value creation and strategic guidance across a broad range of therapeutic areas. Cristina also brings significant expertise in venture capital and the US biotech capital market environment. I am delighted to be working alongside both Julie and Cristina on the next phase of Syncona's growth and development.

Looking ahead

We have further strengthened our platform this year with key hires to our expert team, a strategic capital base, optimised financing approach, and exciting portfolio of life science companies. The business is well positioned to create a diversified portfolio of 15-20 companies with a goal of delivering three to five companies in which we retain a significant ownership interest to the point of product approval on a rolling 10-year basis. We believe if we achieve this goal, we will deliver transformational outcomes for patients and strong risk-adjusted returns for shareholders.

I would like to close by thanking the Syncona team, the portfolio company management teams and my Board colleagues for their hard work and dedication this year, as well as our shareholders and other stakeholders for their continuing support.

Strategic and operational review, Martin Murphy, CEO and Chair of Syncona Investment Management Limited

The Syncona life science business is celebrating 10 years of exceptional progress and I am delighted that FY2021/2 was a year in which we further validated our model and approach. We have made significant progress with multiple financings and the sale of Gyroscope to Novartis, our third successful exit and our largest ever transaction. Our portfolio has positive momentum and we have further strengthened our team and capital base as we continue to scale for long-term success. I am pleased that we have also delivered a solid financial performance in what has been challenging market conditions for biotech.

Strong financial, clinical and operational progress in the portfolio delivered against a challenging market backdrop

We ended the year with a portfolio of 11 companies diversified across the development cycle and therapeutic focus areas, with four at clinical stage and Quell, SwanBio and Neogene expected to enter the clinic in the next 12 months.

Many of our portfolio companies have made good progress, with multiple private financings at uplifted valuations, and significant clinical and operational progress with 12 clinical data read-outs during FY2021/2. We continue to seek to build globally competitive businesses which have the potential to make a difference to the lives of patients and to deliver attractive returns for our shareholders.

Against a challenging macro backdrop, we have delivered value progression through financings in our private companies and the sale of Gyroscope to Novartis. However, this strong performance, which delivered an aggregate uplift of £274.8 million in NAV, has been offset by the decline in the share prices of our listed holdings, Autolus, Achilles and Freeline, with the value of these holdings reducing by £278.5 million. These listed holdings were impacted by volatility in the equity markets and challenging market sentiment towards cell and gene therapies. In the case of Freeline, the COVID-19 pandemic also led to operational challenges in the business, which we have worked closely with the company to address. We ended the year with net assets of £1,309.8 million or 194.4p per share, a 0.3 per cent return in the year (31 March 2021: net assets of £1,300.3 million, NAV per share of 193.9p, 4.4 per cent return), and a strengthened capital base of £784.9 million at 31 March 2022 (31 March 2021: £578.2 million). The life science portfolio delivered a return of 0.8 per cent in the year, compared to a return from the NASDAQ Biotechnology Index of (12) per cent.

For Autolus and Achilles, the focus is on executing well on their clinical plans and the new leadership team at Freeline has driven efficiencies and increased focus on execution across the pipeline. Clinical data is the key driver of value in our sector and all three are well positioned and well funded to deliver on their key upcoming clinical milestones. I believe a core strength of our diverse portfolio, which provides access to innovative private companies, is that we have been able to deliver solid performance even when the biotech sector is experiencing very challenging conditions.

A growing track record of successfully building globally competitive businesses

In December 2021, we announced our largest exit to date, the sale of retinal gene therapy company, Gyroscope, to Novartis, for up to $1.5 billion (£1.1 billion)[9]. The transaction generated

[9] FX rates taken at receipt of funds from the transaction

upfront cash proceeds of $442.2 million (£325.8 million) for our holding in Gyroscope, a 2.9 multiple on cost and 50 per cent IRR[10].

We have shown through the sales of Nightstar, Blue Earth and now Gyroscope, that we can deliver strong risk-adjusted returns for our shareholders. These three exits have generated returns of >£930 million, an aggregate 4.6 multiple on our invested capital[11].

We founded Gyroscope in 2016 upon the research of the late Sir Peter Lachmann into complement factor I, and in under six years built it from an idea to a leader in retinal gene therapy; a platform company with world-class delivery and manufacturing capability, and an exciting therapy advancing through Phase II development for the treatment of geographic atrophy (GA) secondary to dry age-related macular degeneration (dAMD).

In addition to the upfront cash proceeds, the sale of Gyroscope will potentially generate a further £255.3 million for Syncona, through future milestone payments, which, if received, would take total proceeds to £581.1 million, a 5.1 multiple on original cost[12]. At 31 March 2022, we are valuing these potential future payments, on a risk-adjusted and discounted valuation basis, at $65.4 million (£49.8 million)[13]. Syncona is also positioned to benefit from any future commercialisation of Gyroscope's lead programme via a low single-digit royalty on future sales revenue.

We believe this transaction further validates our strategy that a long-term approach to ownership and focus on delivering approved medical products ensures that we are able to build globally competitive businesses and can deliver cash returns to fund exciting opportunities in the portfolio and in our pipeline.

A well-funded portfolio with $712.2 million of capital raised

Our portfolio companies have continued to attract substantial capital commitments from specialist institutional and strategic investors, with financings announced across seven of our portfolio companies in the financial year: Autolus, Quell, Anaveon, Gyroscope, Clade, Freeline and Resolution Therapeutics (Resolution), totalling $712.2 million (£531.8 million), of which Syncona committed $126.4 million (£97.7 million).

This significant investment into the portfolio continued post period end. In April, OMass announced an oversubscribed Series B financing of £75.5 million, with Syncona committing £15.0 million alongside a leading global syndicate of new and existing investors including GV, Northpond, Sanofi Ventures, Oxford Science Enterprises and Oxford University. In May, we also announced a $53.7 million (£43.6 million) commitment to SwanBio in a $55.9 million (£45.3 million) Series B financing, which will provide further funding to the company as it prepares to dose the first patient in its lead SBT101 programme, as well as develop its broader pipeline.

Managing risk and reward, core to the delivery of our long-term strategy

As we build towards our rolling 10-year target of a balanced and diversified portfolio of 15-20 companies across development stage and domain area, we have optimised our approach to funding our portfolio companies.

Our balance sheet and expertise provide us with flexibility but, as outlined in our interim announcement, there will be an earlier decision for each portfolio company to follow one of two main financing paths for our companies:

[10] See footnote 6
[11] See footnote 7
[12] See footnote 6
[13] FX rate taken at 31 March 2022

1. Bring in external investors early (before the point of clinical validation) to provide capital at scale, allowing Syncona to maintain a significant ownership position in the company whilst providing the company with a broader set of supportive investors
2. Companies to be funded privately for longer, to the point of clinical validation

Decisions on which approach to pursue for each portfolio company will be taken on a company-by-company basis. This continued evolution and refinement of the funding approach for our companies will change the financial risk profile of our portfolio. Over the long term, we believe this approach will create a well-diversified portfolio and help us to effectively manage some of the volatility seen to date through accessing the public markets, as we look to provide our shareholders with access to a financially diversified portfolio of private and listed high growth life science companies.

We will continue to balance our position as a long-term strategic holder of our companies alongside our focus on delivering strong risk-adjusted returns to our shareholders. In some instances, our view of the balance of risk and reward may result in us selling a portfolio company, as we have recently done with Gyroscope. In any exit decision, we look at the opportunity available to the business, the market context, the level of scientific or clinical risk, the level of funding required to take full advantage of the opportunity, and the potential return that could be delivered today and in the future.

Capital deployment to increase over the next financial year

During the financial year, Syncona has deployed £123.2 million of capital into the portfolio, underpinned by our strong capital base, which has increased to £784.9 million following the recent sale of Gyroscope. This provides us with a strategic advantage to fund our companies over the long term and attract world-class leaders to our portfolio, as well as the ability to support our portfolio companies during challenging market conditions, such as we see today.

We have reviewed our approach to capital pool asset allocation in light of the current inflationary environment, including our approach to foreign exchange exposure, resulting in a decision to selectively introduce a number of fund investments to the capital pool, and to hold more US dollars on an ongoing basis to align against future US dollar portfolio investment requirements. We continue to balance liquidity and access to capital to protect the value of the capital pool.

We expect to deploy £150-£250 million of capital in FY2022/3 as we found new companies, our existing portfolio companies continue to scale, and we hold a select number of companies privately for longer.

Innovative cell therapy company added to the portfolio and a strong pipeline of opportunities ahead

We continue to be excited about the opportunities we see in our sector. We welcomed Clade to our portfolio, an innovative, next generation stem-cell based therapeutics company, leading a $87.1 million Series A financing alongside a syndicate of long-term investors. This investment provides us with exposure to the allogeneic cell therapy field, and further builds out our cell therapy portfolio.

We have a strong pipeline of potential new Syncona companies as well, with multiple advanced opportunities that are in late-stage due diligence. We are excited by the diverse opportunities for new investment that we continue to see across therapeutic and domain areas, including in gene therapy, cell therapy, small molecules, biologics, antibodies, and other Third Wave modalities such as nucleic acid therapies, as we continue to leverage the team’s expertise in identifying exceptional science that has the potential to deliver dramatic efficacy in areas of high unmet medical need.

We are excited by the opportunities for new investment, as we look to continue to add on average two to three companies per year.

A leading cell and gene therapy portfolio

Within our portfolio, our companies are at the forefront of innovation in cell and gene therapy. We are excited by the transformational potential of these treatments for patients and the significant commercial opportunity for pioneering biotech companies in this field.

There have been some challenges identified across the cell and gene therapy sector, namely around safety in certain gene therapy approaches and the complexity of cell therapy manufacturing, which have impacted sentiment towards early stage businesses operating in this space. These are not new issues and, as part of our investment thesis, we work to navigate and address these challenges as we found and build our companies. We are comfortable that our companies are continuing to strive to deliver safe and effective treatments for patients.

Scaling the Syncona business for success

We are continuing to scale Syncona, broadening the bench of talent and skills across all areas of the business.

As previously announced, during the year Syncona has appointed Rolf Soderstrom as Chief Financial Officer, Markus John, M.D. as Chief Medical Officer and Head of R&D, and Fiona Langton-Smith as Chief Human Resources Officer. These hires are already making a valuable contribution to Syncona, driving growth and execution across the business.

We have also appointed Lisa Bright as Commercial Advisor and Ben Woolven as Business Strategy and Operations partner. Lisa is a senior commercial leader and board member with over 30 years' experience in biopharmaceuticals, serving in executive and general management roles where she has developed expertise in launching innovative specialty medicines. Lisa already serves on the board of portfolio company Resolution and this expanded role will allow her to utilise her experience more broadly across Syncona. Ben joined from GSK, bringing over a decade of strategy development, business operations and project management experience, to help build our portfolio of innovative life science companies.

Milestones across the portfolio provide opportunity for value creation and significant long-term opportunity

Clinical data is key to driving value in our portfolio, and we are excited by the potential for our companies to deliver transformational treatments to patients in areas of high unmet medical need. As we look ahead, we believe our companies are well positioned to deliver on their upcoming milestones. Our clinical stage companies are approaching key data milestones that we believe will drive value for our shareholders.

After a decade of exciting progress across our industry and business, we remain focused on delivering on our strategy and long-term targets. There continues to be a thriving life science industry in the UK and Europe, which provides us with a significant opportunity to apply the Syncona model to found, build and fund globally competitive businesses. With a strengthened balance sheet and optimised funding approach, we believe Syncona is in a strong position to build a portfolio of 15-20 leading life science companies over a 10-year rolling period. I am excited about the next 10 years and the potential to change the lives of patients and deliver strong returns for shareholders.

Life science portfolio review

Clinical

Autolus (4.7% of NAV, 19% shareholding)

- Published further data in lead programme of obe-cel in adult acute lymphoblastic leukaemia (ALL); meaningful data read-out expected in H2 CY2022
- Positive data published at EHA Congress, including from AUTO1/22 in paediatric ALL (pALL) and AUTO4 in T cell lymphoma
- Commitment of up to $250.0 million from Blackstone; funded into 2024 with $268.6 million[14] in cash

Autolus is developing next generation programmed T cell therapies for the treatment of cancer with a broad clinical pipeline targeting haematological malignancies and solid tumours.

During the period Autolus released further encouraging data in its lead programme obe-cel in relapsed/refractory (r/r) adult ALL. As presented at the American Society of Hematology (ASH) conference in December 2021, patients in the Phase Ib portion of the potentially pivotal FELIX study showed comparable results in efficacy and safety to the Phase I ALLCAR19 study, with further data released from ALLCAR19 demonstrating continued durability of response in patients up to 42 months post-dosing. Autolus continues to enrol patients in the Phase II portion of the FELIX study and expects to report initial data from this trial in the second half of CY2022, in advance of a full read-out in H1 CY2023. This data is expected to form the basis of a planned Biologics License Application (BLA) submission by the company. During the period, obe-cel received Orphan Medical Product Designation and PRIority MEdicines (PRIME) designation from the European Medicines Agency (EMA), and Regenerative Medicine Advanced Therapy (RMAT) designation from the US Food and Drug Administration (FDA) post period end. These designations further underline the opportunity for obe-cel as a potentially transformational treatment for patients with r/r adult ALL.

The company has also shown strong progress in its broader pipeline, releasing encouraging data from four programmes at the European Hematology Association (EHA) Congress post period end. The early clinical data showed a promising safety and efficacy profile across the AUTO4 programme in T cell lymphoma, AUTO1/22 in pALL, obe-cel in r/r primary central nervous system lymphoma (PCNSL), and obe-cel in r/r B cell non-Hodgkin's lymphoma (B-NHL) and chronic lymphocytic leukaemia (CLL). This data reinforces the strength of the pipeline at Autolus, which is diversified across therapies targeting both B cell malignancies and T cell lymphomas.

Autolus has continued to attract external validation for its technology in the period, signing an Option and License Agreement with Moderna granting Moderna an exclusive licence to develop and commercialise messenger RNA (mRNA) therapies incorporating Autolus' proprietary binders in up to four immuno-oncology targets. It also attracted a commitment of up to $250.0 million from Blackstone, consisting of an investment of $100.0 million in equity and up to $150.0 million in product financing. With this funding Autolus is able to operate with a strengthened balance sheet and is funded into CY2024, past the delivery of the pivotal data in its lead obe-cel programme.

The business continued to attract strong leadership to the company at Board and executive level throughout the period. Experienced biopharma executive John H. Johnson joined as Chair in September, following a period where Syncona's CEO Martin Murphy held the position, bringing to the company more than 30 years' life science experience in a non-executive and executive capacity, where most recently he served as CEO of Strongbridge Biopharma. Edgar Braendle joined the company as Chief Development Officer (CDO) from Sumitomo Dainippon where he was Chief Medical Officer (CMO) and Global Head of Development, and moving forward will have an important role in leading the company's development functions. Dr Lucinda Crabtree was

[14] As at 31 March 2022

appointed Chief Financial Officer (CFO). Lucinda was previously Senior Vice President of Finance and played a key role in the Blackstone transaction in November 2021.

Whilst Autolus' share price has fallen this year, and has been impacted by broader biotech sector market dynamics, we remain confident in its potential as it approaches a meaningful data read-out in its lead obe-cel programme in the second half of CY2022. In addition, the company has demonstrated positive momentum across its broader pipeline and continues to show the potential opportunity that autologous CAR T therapies represent for patients suffering from a range of cancers.

Anaveon (4.6% of NAV, 38% shareholding)

- Published initial Phase I clinical data from its lead programme ANV419 post period end; further data from this study is expected in H2 CY2022
- Successful Series B financing of CHF 110.0 million (£89.8 million) from international syndicate of specialist investors, cornerstoned by Syncona at an uplift of 88 per cent (£19.7 million, 3p per share) to previous holding value; CHF 35.0 million (£28.6 million) commitment from Syncona

Anaveon is developing a selective Interleukin 2 (IL-2) Receptor Agonist, a type of protein that could enhance a patient's immune system to respond therapeutically to cancer.

The company released its first clinical data from its lead programme ANV419 in April 2022, post period end. This data underlined the compelling selectivity and safety profile for the drug, which is highly encouraging given the severe, dose-limiting side effects which have been seen elsewhere in the use of human IL-2 in solid cancers. Further data from the Phase I study is expected later in CY2022. Based on this initial data, a Phase I/II programme of ANV419 has been initiated in multiple tumour types to evaluate clinical efficacy in both monotherapy and combination settings and post period end, the company received FDA clearance of its Investigational New Drug (IND) application for the Phase I/II study of ANV419 in advanced cutaneous melanoma.

Anaveon also successfully completed an oversubscribed CHF 110.0 million (£89.8 million) financing in the period, attracting a leading international investor syndicate, resulting in Syncona's holding being written up by £19.7 million (3p per share), an 88 per cent uplift. Syncona committed CHF 35.0 million (£28.6 million) to the financing, and remains Anaveon's largest investor with a 38 per cent holding in the company. Anaveon is now well financed and is delivering well on its clinical plan, as it progresses towards its goal of becoming the best-in-class therapy in the IL-2 space.

Freeline (2.5% of NAV, 53% shareholding)

- Data read-outs from FLT190 programme in Fabry disease, with accelerated progression to second dose cohort; further encouraging data in FLT180a programme in haemophilia B
- New executive leadership with Michael Parini becoming CEO, Pamela Foulds joining as CMO and Henning Stennicke becoming Chief Scientific Officer; Paul Schneider joined as CFO post period end
- Extended cash runway to H2 CY2023 following $26.1 million registered direct offering, including $20.0 million commitment from Syncona

Freeline, our gene therapy company focused on liver expression for a range of chronic systemic diseases, continued to progress its programmes through the clinic during the period.

In its most advanced programme, FLT180a in haemophilia B, Freeline has completed dosing its first cohort in the B-LIEVE dose confirmation study and has initiated dosing the second cohort post period end. Efficacy and safety data from the first cohort will be presented at the Congress of the International Society on Thrombosis and Haemostasis (ISTH) being held between 9-13 July 2022. This follows positive long-term follow-up data presented in December 2021 by the company

from the B-AMAZE dose-finding trial for FLT180a, which found sustained expression of factor IX (FIX), the key enzyme for patients with haemophilia B, up to 3.5 years post dosing.

Freeline has continued to progress the Phase I/II MARVEL-1 study for its FLT190 programme in Fabry disease. The company presented encouraging data from the first two patients at the lower dose cohort at the 18th Annual WORLDSymposium™ in February 2022, demonstrating that the treatment continued to be well tolerated with a potentially dose-dependent increase in levels of the key enzyme (α-Gal A), which is absent or markedly deficient in Fabry patients. In March, Freeline announced it would progress immediately to the second dose cohort in the MARVEL-1 study. This followed a comprehensive review of the pre-clinical data, and the clinical efficacy and safety data from the first and second patients in the MARVEL-1 study. This data was presented to the study's independent Data Monitoring Committee, which supported accelerated progression to the second cohort. This resulted in a revision to the previous clinical development plan which included dosing a third patient in the lower dose cohort and publishing updated data from the first two patients dosed, and initial data from the third, in the first half of 2022. The company now expects to provide a programme update in H2 CY2022.

Freeline continued to progress its FLT201 programme in the year. FLT201 is a therapy seeking to provide a functional cure in patients with Gaucher disease Type 1, an indication where there is currently no approved gene therapy. The company announced in May 2022 that it expects to complete dosing of the first cohort of its Phase I/II trial by mid-CY2022, and progress to the second cohort in H2 CY2022. An initial data read-out is expected in H2 CY2022.

The company has made a number of key changes to its executive team; Michael Parini, formerly President and Chief Operating Officer, became CEO in August 2021 with Pamela Foulds, who was formerly at Aegerion Pharmaceuticals and Biogen, joining as CMO in November 2021. In addition, Henning Stennicke joined as CSO in March 2022 from Novo Nordisk, while Paul Schneider joined as CFO post period end from Exo Therapeutics. These four experienced executives have substantial life science experience, bringing significant development, clinical, regulatory, operational and financial expertise in rare diseases to the executive team.

Under the leadership of Michael Parini, the company led a thorough review of its operational plans, discontinuing further development of its pre-clinical programme of FLT210 in haemophilia A. This, along with a $26.1 million direct offering by the company in March 2022 which was led by Syncona, has provided an extension of Freeline's cash runway to H2 CY2023. Freeline also stands to benefit from the flexibility of an American Depositary Share (ADS) purchase agreement with Lincoln Park Capital (LPC), which was entered into during the period. This will provide Freeline with the right to sell LPC up to $35 million in ADSs, subject to certain conditions being satisfied.

Whilst Freeline has experienced operational issues, partly driven by the impact of delays in its clinical trials due to the COVID-19 pandemic, it is now delivering effectively on its updated operational plan with programme updates expected in all three of its programmes in H2 CY2022. Whilst the share price has continued to be impacted by market conditions which have particularly affected the valuations of smaller cap listed biotech companies, we remain confident in the fundamentals of the business as it moves forward with its clinical pipeline.

Achilles (1.9% of NAV, 25% of shareholding)

- Encouraging progress in Phase I/IIa studies in non-small cell lung cancer (NSCLC) and melanoma, with positive data from the initial lower dose process reported as the trials move to a higher dose
- Strong cash position of $236.9 million[15] with runway into H2 CY2024

[15] At 31 March 2022

Achilles, a clinical-stage biopharmaceutical company developing precision T cell therapies to treat solid tumours, continued to make good operational progress in the year.

The company continued to progress its ongoing Phase I/IIa studies in advanced NSCLC and melanoma. In November 2021, the company presented data at the Society for Immunotherapy of Cancer (SITC) annual meeting, showing the ability of Achilles' technology to detect, quantify, and track patient-specific clonal neoantigen-reactive T cells (cNeT). At the ESMO I-O annual meeting in December 2021, the company presented data from pre-clinical GMP manufacturing runs showing increased cNeT doses from its VELOS™ Process 2 manufacturing, the company's manufacturing process to generate higher doses. The company also released further data at SITC from its VELOS™ Process 1 process, underlining that the tolerability profile of the therapy was in-line with standard tumour-infiltrating lymphocyte (TIL) products that have not been enriched for cNeT reactivity.

The company continues to make progress in moving towards the higher dose VELOS™ Process 2 manufacturing, dosing its first patient in the higher dose in the CHIRON trial in NSCLC post period end, and expects to announce data from the higher dose processes in both CHIRON and the THETIS trial in melanoma in H2 CY2022. The move to the higher dose will be supported from Achilles' manufacturing facilities at the UK Cell and Gene Therapy Catapult (CGT Catapult), which received a manufacturing licence from the Medicines and Healthcare products Regulatory Agency (MHRA) post period end, and a new facility in the US in partnership with the Center for Breakthrough Medicines (CBM).

The company also continued to strengthen its Board, with Julie O'Neill joining as a non-executive in May 2021, bringing more than two decades of executive experience in senior leadership roles, most recently as Executive Vice President of Global Operations at Alexion Pharmaceuticals. Post period end, Bernhard Ehmer also joined the Achilles Board, bringing more than three decades of experience across senior leadership roles in biotechnology and pharmaceuticals, most recently as CEO of Biogest AG.

Achilles continues to be well funded with a cash runway through to H2 CY2024, and although it has seen share price volatility through the year, we remain confident that it is well positioned to deliver on its upcoming operational and clinical plans as it moves towards clinical read-outs from its higher dose programmes.

Pre-clinical

Quell (6.2% of NAV, 37% shareholding)

- Initiated clinical trial sites in lead QEL-001 programme
- Successful $156.3 million (£116.6 million) Series B financing with leading international syndicate at a 41 per cent uplift (£18.5 million, 3p per share) to the previous holding value; co-led by Syncona with a $25.0 million (£18.7 million) commitment

Quell has been established with the aim of developing engineered T-regulatory (Treg) cell therapies to treat a range of conditions such as solid organ transplant rejection, autoimmune and inflammatory diseases.

The company has made good progress as it prepares to dose its first patient with its lead candidate QEL-001, which is designed to prevent organ rejection in liver transplant patients. It announced a collaboration with CGT Catapult which allows the company access to one of the CGT Catapult's specialist large-scale manufacturing facilities. Quell's Clinical Trial Application (CTA) for QEL-001 was also approved by the UK MHRA during the period, with the company now initiating trial sites for the programme, and is expected to dose its first patient in H2 CY2022.

The company successfully completed a $156.3 million (£116.6 million) Series B financing during the period, with Syncona committing $25.0 million (£18.7 million) alongside a syndicate of

international specialist investors. Following the financing, Syncona's holding in Quell was written up by £18.5 million (3p per share), a 41 per cent uplift to the previous holding value. This funding will enable Quell to fund the development of its lead QEL-001 programme in liver transplantation, as well as allowing Quell to progress its broader clinical pipeline, its plans to develop an allogeneic CAR-Treg platform, and the expansion of its manufacturing footprint.

The company also expanded its leadership team during the period with Dominik Hartl joining as CMO from the Novartis Institutes for BioMedical Research (NIBR), and Tracey Lodie joining as CSO from Gamida Cell. They bring a wealth of experience across cell therapies and autoimmune disorders and will play a key role as Quell progresses QEL-001 and its broader pipeline.

SwanBio (5.7% NAV, 75% shareholding)

SwanBio is a gene therapy company focused on neurological disorders. Its lead programme is targeting the treatment of adrenomyeloneuropathy (AMN), a genetic neuro-degenerative disease affecting the spine.

The company continues to make progress as it approaches the clinical entry of its lead programme SBT101 in AMN. The company received clearance for its IND application for the programme from the FDA in January 2022, with Fast Track and Orphan Drug designations following in February and March 2022 respectively. The company will enter the clinic with a Phase I/II study to assess the safety and efficacy of SBT101 in H2 CY2022, assisted by the insights gathered from its ongoing natural history study, CYGNET, which enrolled its first patient earlier in the period. Post period end, the company announced further pre-clinical data from SBT101, which supports the safety profile of the therapy and supports the dosing strategy for the upcoming Phase I/II trial.

Post period end SwanBio also completed a $55.9 million (£45.3 million) Series B financing, with Syncona committing $53.7 million (£43.6 million). The proceeds will primarily be used to fund the ongoing clinical development of SBT101, as well as supporting the company's broader pipeline for other neurological conditions. Following the financing, Syncona's holding is now valued at £96.3 million following the first tranche investment of $19.2 million (£15.6 million), with Syncona holding 80 per cent of the company on a fully diluted basis.

Purespring (1.4% NAV, 84% shareholding)

Purespring Therapeutics (Purespring) was founded by Syncona in November 2020, with the company seeking to advance gene therapies for the treatment of chronic renal diseases which are currently poorly served by existing treatments.

The company continues to deliver on its ambitious operational growth plans as it progresses towards the clinic with its three pre-clinical programmes, with the goal of becoming the first AAV gene therapy company targeting the kidney in clinical trials. Purespring built out its executive team in the period, in particular through Julian Hanak joining as CDO. He brings 25 years' experience spanning gene therapy, manufacturing, regulatory affairs and CMC, previously serving as head of manufacturing at Nightstar. He will support Purespring's CEO Richard Francis as he looks to progress the company to the clinic and become a global leader in renal gene therapy.

Neogene (1.1% NAV, 8% shareholding)

Neogene is developing an engineered cell therapy product for solid tumours based on a patient's own neoantigens. The company was founded in 2018 around the work of world-class founders, Dr Ton Schumacher and Dr Carsten Linnemann.

The company signed an exclusive licence during the period with the US National Cancer Institute for a portfolio of T cell receptors (TCRs) targeting KRAS and TP53 mutations for the treatment of cancer. These two mutations are among the most commonly mutated genes in cancers and

combined with Neogene's proprietary TCR isolation platform, this licence will expand Neogene's capability in targeting multiple neoantigens in individual patients.

The company continued to attract world-class executive leaders throughout the period. Brent Pfeiffenberger joined as COO from Bristol Myers Squibb, where he was senior vice president of U.S. Oncology. The company also welcomed Han Lee (previously CFO at Arcellx, Inc) as CFO, and Raphael Rousseau, M.D, PhD, as CMO from Gritstone Bio, where he was Executive Vice President, Head of Product Development and CMO. Dr Rousseau brings extensive experience in oncology drug development, including in engineered T cell therapies. These three key hires are already playing a key role in the development of Neogene as it moves towards clinical stage, having had its CTA approved for its lead programme in the Netherlands post period end. The company expects to enter the clinic in H1 CY2023.

Clade (0.9% NAV, 23% shareholding)

Clade was established with the aim of discovering and delivering scalable next-generation induced pluripotent stem cell (iPSC) derived medicines. Syncona led the $87.1 million Series A financing in November 2021, with a commitment of $30.0 million (£21.7 million). This investment further expanded our leading cell therapy portfolio into next generation stem cell-based therapeutics.

The company is led by a world class team, with Dr Chad Cowan, a scientific co-founder of CRISPR Therapeutics and former Associate Professor at Harvard University in the Department of Stem Cell and Regenerative Biology as CEO and Dr Jim Glasheen, co-founder of Atlanta Therapeutics and former general partner at Technology Partners Venture Capital as President and Chief Business Officer. Clade continues to build out its operations and leadership team, and in the period appointed Dr Derek Hei as its Chief Technology Officer. Dr Hei joined Clade from Vertex Pharmaceuticals, where he was Senior Vice President of Preclinical and Clinical Manufacturing, Cell and Gene Therapies, and brings significant expertise in cell therapy and over 20 years' experience of leading manufacturing teams at biotech companies.

Resolution (0.8% NAV, 81% shareholding)

Resolution is a cell therapy company investigating the use of the restorative effect of macrophages in the treatment of end-stage liver disease.

The company continued its strong operational momentum during the period. It continued to progress its ongoing MATCH II academic study of non-engineered autologous macrophages in liver cirrhosis. During the period Syncona committed £10.0 million to the company in an extension to its Series A financing, which will fund the continued development of its existing autologous programme as well as its developing allogeneic platform[16]. Following this financing, Syncona's holding in Resolution is £10.4 million, with Syncona holding 81 per cent of the company on a fully diluted basis.

Post-period end, the company announced a research collaboration with panCELLA Inc, which will allow Resolution access to the company's hypo-immunogenic engineered iPSC technology, potentially providing Resolution with the technology to develop "off the shelf" macrophage cell therapies.

The company also continued to attract senior leaders at Board level, with Lisa Bright joining as a non-executive in the period, bringing 30 years' experience across pharma and early stage biotech.

<u>Drug discovery</u>

OMass (2.6% NAV, 49% shareholding)

[16] Investment announced by company post period end

OMass is developing small molecule drugs to treat rare diseases and immunological conditions. It uses its proprietary drug platform, OdyssION™, to accurately interrogate potential targets within their natural ecosystem, providing critical information which heightens the chances of finding effective small molecule medicines which will be successful in clinical trials.

During the period the company made significant progress in developing its pipeline of programmes, announcing five candidates with a focus on immunological and orphan diseases. Its lead programme, focused on the MC2 receptor, has entered lead optimisation stage and is targeting orphan endocrine disorders.

Post period end, the company successfully completed a £75.5 million Series B financing, of which Syncona committed £15.0 million. This financing included a syndicate of top-tier international life science investors, including new investors GV, Northpond and Sanofi Ventures, with the proceeds to be used to fund OMass' pipeline of programmes as the company moves towards clinical trials. The financing resulted in a 32 per cent uplift (£8.3 million, 1p per share) to Syncona's previous holding value in the company. Including the first tranche of Syncona's Series B investment, its holding of OMass is now valued at £43.7 million, holding 31 per cent of the company on a fully diluted basis.

Life Science Investments

Beyond our core portfolio of 11 life science portfolio companies, we have a smaller number of life science investments. During the period, Cambridge Epigenetix (CEGX) raised $88.0 million in a Series D financing which was led by Temasek. We chose not to participate in this funding round, however we were pleased to see the company attract significant funding, seeing this as validation of the company's potential. The financing round resulted in a £15.4 million uplift to Syncona's previous holding value in the company, with Syncona's holding now valued at £17.3 million following an initial investment of £2.4 million.

Post period end, another of Syncona's life science investments, Forcefield Therapeutics (Forcefield), announced its official company launch. The company is a pioneer of best-in-class therapeutics, with its approach seeking to retain heart function following myocardial infarctions (heart attacks), specifically by preventing the loss of cardiomyocytes. Syncona first announced its £5.5 million Series A investment in Forcefield in 2020, and since this time the company has been working to identify its pre-clinical pipeline, which is centred on three identified proteins which have the potential to retain heart function. These targets have been identified through the 'FunSel' discovery platform, which is also used by Syncona portfolio company Purespring. The company was founded by Purespring co-founder Professor Mauro Giacca, a leader in cardiovascular disease and genetic biology at the School of Cardiovascular Medicine and Sciences, King's College London, and Richard Francis, CEO of Purespring, also acts as CEO of Forcefield.

Next key milestones for clinical programmes at 31 March 2022

Autolus – cell therapy / oncology	
Obe-cel – adult ALL	Meaningful data read-out from pivotal FELIX study in obe-cel in r/r adult ALL expected in H2 CY2022; full data expected in H1 CY2023
AUTO1/22 – paediatric ALL	Longer-term follow-up data expected in H2 CY2022
Achilles – cell therapy / oncology	
cNeT – non-small cell lung cancer	Data from higher dose cNeT therapy expected in H2 CY2022
cNeT – melanoma	Data from higher dose cNeT therapy expected in H2 CY2022
Freeline – gene therapy / systemic diseases	

FLT180a – haemophilia B	Initial data from first cohort in Phase I/II dose confirmation study in haemophilia B to be presented at the Congress of the International Society on Thrombosis and Haemostasis (ISTH), July 2022
FLT190 – Fabry disease	Initiate second cohort in mid-CY2022; programme update expected in H2 CY2022
FLT201 – Gaucher disease Type 1	Initial data from Phase I/II Gaucher disease Type 1 programme expected in H2 CY2022
Anaveon – biologics	
ANV419 – multiple tumour types	Further data in Phase I study of selective IL-2 agonist expected in H2 CY2022

Next milestones for pre-clinical programmes as at 31 March 2022

Quell – cell therapy / autoimmune diseases	
QEL-001 – liver transplant	Expects to dose the first patient in Phase I/II lead programme targeting liver transplant in H2 CY2022
SwanBio – gene therapy / neurological diseases	
SBT101 – adrenomyeloneuropathy (AMN)	Expects to enter the clinic with lead programme targeting AMN in H2 CY2022
Neogene – TCR cell therapy	
NT-125 – advanced solid tumours	Expects to enter clinic with TCR therapy in H1 CY2023

Life science portfolio valuation table

Company	**31 March 2021**	**Net invest-ment in the period**	**Valuation change**	**FX movement**	**31 March 2022**	**% of Group NAV**	**Valuation basis[17],[18],[19]**	**Fully diluted owner-ship stake**	**Focus area**
	(£m)	(£m)	(£m)	(£m)	(£m)			(%)	
Portfolio Companies									
Clinical									
Autolus	81.2	-	(22.1)	2.9	62.0	4.7%	Quoted	18.8%	Cell therapy
Anaveon	18.5	20.4	17.9	3.0	59.8	4.6%	PRI	37.9%	Biologics
Freeline	167.9	15.4	(151.6)	0.6	32.3	2.5%	Quoted	53.4%	Gene therapy
Achilles	133.1	-	(109.5)	1.2	24.8	1.9%	Quoted	25.3%	Cell therapy
Gyroscope	150.1	(325.8)	168.3	7.4	-	0.0%	Sold	0.0%	Gene therapy
Pre-Clinical									
Quell	35.1	26.3	18.5	1.5	81.4	6.2%	PRI	37.4%	Cell therapy
SwanBio	53.7	17.7	0.5	3.2	75.1	5.7%	Cost	75.4%[20]	Gene therapy
Purespring	3.9	14.6	-	-	18.5	1.4%	Cost	84.0%	Gene therapy
Neogene	11.0	2.9	-	0.6	14.5	1.1%	Cost	7.9%	Cell therapy
Clade	-	10.8	-	0.6	11.4	0.9%	Cost	22.6%	Cell Therapy
Resolution	7.4	3.0	-	-	10.4	0.8%	Cost	81.1%	Cell Therapy

[17] Primary input to fair value
[18] 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
[19] 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
[20] Fully diluted ownership increases to 80 per cent post the Series B financing in May 2022

Drug discovery									
OMass	16.4	10.0	8.3	-	34.7	2.6%	PRI	49.3%[21]	Small molecule
Life Science Investment									
Gyroscope milestone payments[22]	-	-	49.8	-	49.8	3.8%	DCF	0.0%	Gene therapy
CRT Pioneer Fund	36.6	(0.4)	(8.0)	-	28.2	2.2%	Adj Third Party	64.1%	Oncology
CEGX	1.5	-	15.4	0.4	17.3	1.3%	PRI	5.5%	Epigenetics
Forcefield	0.4	2.1	-	-	2.5	0.2%	Cost	82.0%	Biologics
Adaptimmune	5.3	-	(3.2)	0.1	2.2	0.2%	Quoted	0.8%	Cell therapy
Total Life Science Portfolio	**722.1**	**(203.0)**	**(15.7)**	**21.5**	**524.9**	**40.1%**			

Supplementary information

Our growing track record

- £905.7 million deployed in life science portfolio since foundation
- 27 per cent IRR and 1.6x multiple on cost across whole portfolio[23]

Company	Cost (£m)	Value (£m)	Multiple	IRR
Generation 1				
Blue Earth	35.3	351.0	9.9	83%
Nightstar	56.4	255.8	4.5	71%
Autolus	124.0	62.0	0.5	-18%
Generation 2				
Freeline	183.1	32.3	0.2	-55%
Gyroscope	113.1	374.8	3.3	57%
Achilles	60.7	24.8	0.4	-29%
Generation 3				
OMass	26.4	34.7	1.3	16%
Resolution	10.4	10.4	1.0	0%
SwanBio	75.1	75.1	1.0	0%
Anaveon	39.9	59.8	1.5	38%
Quell	61.4	81.4	1.3	24%
Azeria	6.5	2.1	0.3	-58%
Generation 4				
Neogene	14.3	14.5	1.0	0%
Purespring	18.5	18.5	1.0	0%
Clade	10.8	11.4	1.1	9%
Forcefield	2.5	2.5	1.0	0%
Investments				
Unrealised Investments	50.9	47.7	0.9	0%

[21] Fully diluted ownership reduces to 31 per cent post the Series B financing in April 2022
[22] Syncona's risk-adjusted and discounted valuation of the milestone payments from the sale of Gyroscope Therapeutics
[23] Includes sales of Blue Earth, Nightstar and Gyroscope, 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

Realised Investments	16.5	21.8	1.3	26%
Total	**905.7**	**1,480.5**	**1.6**	**27%**

Clinical trial disclosure process

Currently, our portfolio companies are progressing 11 clinical trials. These trials represent both a significant opportunity and risk for each company and for Syncona.

Unlike typical randomised controlled pharmaceutical clinical trials, currently all clinical trials are open-label trials. Open label trials 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. However, 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.

Our portfolio companies may decide or be required to announce publicly interim clinical trial data, for example where the company or researchers connected with it are presenting at a scientific conference, and we will generally also issue a simultaneous announcement about that clinical trial data. We would also 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. We would not generally expect to otherwise announce our assessment of interim clinical data in an ongoing trial, although we review all such data to enable us to comply with our legal obligations under the Market Abuse Regulation or otherwise.

Principal risks and uncertainties

The principal risks that the Board has identified are set out in the following table, along with the consequences and mitigation of each risk. Further information on risk factors is set out in note 18 to the Consolidated Financial Statements.

Description	**Key Controls**	**Changes in the year**
Business model 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	• 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).	Continued to seek to de-risk scientific theses in our early stage companies. Significant capital raised by portfolio companies to support de-risking scientific theses.

may need to be invested to resolve these uncertainties. Impacts include: • Financial loss and reputational impact from failure of investment.	Consideration of syndicating investments. • Syncona team work 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.	
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 include: • 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 and therefore will potentially have less competition and more pricing power. • Focus, oversight and support from the Syncona team on recruiting dedicated specialist clinical teams in each portfolio company to manage trials effectively, maximise likelihood of success, and with a clear understanding of the requirements of regulators. • 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, and this is then operationalised. • Company business plans seek to have	12 clinical data read-outs during the financial year with our most clinically advanced company, Autolus, approaching a meaningful read-out from its pivotal trial in obe-cel in H2 CY2022. One company, Anaveon, moved into the clinic with its lead programme, ANV419. Competitive environment has intensified for some of our companies.

	multiple products 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. Consideration of syndicating investments. • Clinical trials policy requires reporting of significant trial issues to Syncona team and to Board in serious cases.	
Portfolio concentration to platform technology The Syncona team bring 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 include: • Material impact on valuation. • Impact on reputation of Syncona resulting from failure of technology we are strongly identified with.	• Team pays close attention to scientific, clinical, regulatory or commercial developments in the field. • Where there are genuine risks, identified and managed through diligence and investment process.	Continued to monitor developments in cell and gene therapy, particularly the outcomes of the FDA advisory committee on gene therapy in September and safety developments on certain programmes under development; market sentiment to cell and gene therapy has been less positive in the year.
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	• Board provides strong oversight drawing on a range of relevant experience, including life science, FTSE and investment company expertise. Board has clear understanding of strategy and risk. • Transparent communication from Syncona team to Board about portfolio opportunities and risks including upside and	Sale of Gyroscope allowed us to capture significant returns and retain exposure to future successful development through milestone payments and royalties, while removing risk of a negative outcome. Significant reduction in value during year of listed portfolio companies, as market sentiment changed.

others will fail (potentially resulting in substantial loss of value). This is likely to result in a volatile return profile. Impacts include: • Loss of shareholder support, potentially reducing ability to raise new equity when required. • Reputation risk from perceived failure of business model.	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 removes binary risks.	
Financing risks		
Not having capital to invest Early stage life science businesses are very capital intensive, and delivering our strategy will require us to have access to substantial capital. Impacts include: • 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 constraint.	• Syncona team monitoring capital allocation on an ongoing basis with a 3-year forward outlook, with transparent reporting to the Board. • Seek to maintain capital pool of 2-3 years' (or more) financing requirements, although noting this risks being a significant drag on overall returns. • Maximise potential to raise new equity through developing institutional shareholder base. • Ongoing consideration of alternative or additional capital raising structures (e.g. side funds; operating company vs investment company; use of debt). • Ongoing consideration of syndication strategy at portfolio company level, to maximise value and minimise dilution	Sale of Gyroscope strengthened capital base to £784.9 million at 31 March 2022. Portfolio raised $712.2 million of capital across seven financings during the period; $585.8 million committed by global institutional investors and companies, with $126.4 million from Syncona.

	when external capital is brought in. Clarity of funding options: solo hold and partner approaches. • Ongoing consideration of exit opportunities for portfolio companies.	
Private/public markets don't value or fund our companies when we wish to access them Our capital allocation strategy includes considering bringing 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 include: • 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 constraint. • Exit opportunities may be less attractive, with impact on availability of capital. • Reputation risk from failed transactions.	• Maintain access to significant capital, to reduce risk of being forced to syndicate / forced seller. • Focus, oversight and support from the Syncona team on financing plan for each company, with support to the company to develop its financing story at an early stage.	Macroeconomic headwinds have impacted sentiment in the biotech sector, with particular impact on public markets for biotech companies. Sale of Gyroscope to Novartis for up to $1.5 billion, with $800 million in up-front cash proceeds to the selling shareholders and up to $700 million in further milestone payments. Portfolio raised $712.2 million of capital across seven financings during the period; $585.8 million committed by global institutional investors and companies, with $126.4 million from Syncona, to fund to key milestones.
Capital pool losses or illiquidity The capital pool is exposed to the risk of loss or illiquidity. Impacts include: • 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.	• Protection against risk and liquidity are key characteristics; return a focus to avoid loss of real value, but secondary consideration. • Risk parameters monitored monthly by Syncona team, with enhanced review on a quarterly basis.	Reviewed approach to capital pool asset allocation in light of inflationary environment, resulting in decision to introduce a number of fund investments to the capital pool and to hold more US dollars on an ongoing basis.

	• External adviser (Barnett Waddingham) engaged to carry out annual review of capital pool against chosen parameters.	
Operational execution risks		
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 include: • Poorer oversight of portfolio companies, risk of loss of value from poor strategic/operational decisions. • Insufficient resource to take advantage of investment opportunities. • Loss of license to operate if insufficient resource or processes mean we fail to meet stakeholder expectations.	• Market benchmarking of remuneration for staff. • Provision of long-term incentive scheme to incentivise and retain staff. • 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 CHRO. • 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.	Changes to life science investment landscape in the UK and Europe, potentially creating greater competition in recruitment, as a result this risk was increased in the period. Seeking to broaden bench of talent and skills within the business. Appointed Rolf Soderstrom as Chief Financial Officer, Markus John, M.D. as Chief Medical Officer and Head of R&D, and Fiona Langton-Smith as Chief Human Resources Officer, and established a Corporate Team to oversee management of the business. During the year Dominic Schmidt and Ken Galbraith left the business, and we appointed Lisa Bright as Commercial Advisor and Ben Woolven as Business Strategy and Operations partner.
Systems and controls failures We rely on a series of systems and controls to ensure proper control of assets, record-keeping and reporting, and operation of Syncona's business. Impacts include: • Risk of loss of assets. • Inability to properly oversee Syncona team.	• Systems and control procedures are reviewed regularly by Syncona team, with input from specialist external advisers where appropriate. • Certain systems have been outsourced to the Administrator who provides independent assurance of its own systems. • Annual review of systems and controls	Implementing processes during the year to deliver on our Sustainability Policy. Ongoing reviews of our processes, working with external advisers where appropriate, to seek to meet current stakeholder requirements.

• Inaccurate reporting to shareholders. • 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.	carried out by the Audit Committee.	
Portfolio company operational risks		
Unable to build high quality teams in portfolio companies Portfolio companies are reliant on recruiting highly specialised, high quality staff 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 include: • 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 aim 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.	Team and Board changes in a number of our companies, including Autolus, Freeline, Achilles, Quell, Purespring, Resolution and others. Anaveon entered the clinic, joining Autolus, Freeline and Achilles, and a further three companies are approaching the clinic. With an increasing number of companies in the clinic, both the capital invested and the operational challenges have increased. As a result, this risk was increased in the period.
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 include:	• 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.	Operational issues at Freeline, partly driven by the impact of delays in its clinical trials due to the COVID-19 pandemic.

• Ultimately, failure to deliver key elements of operational plans resulting in material loss of value.	• Seek to maintain capital buffers to cope with unanticipated issues before cash out. • 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.	

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 2022 ("2022 Annual Report"), whereas this announcement contains extracts from the 2022 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 2022 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 2022

	2022		2021	
	Fair value £'000	% of Group NAV £'000	Fair value £'000	% of Group NAV £'000
Life science portfolio				
Life science companies				
Achilles Therapeutics plc	24,810	1.9	133,127	10.2
Anaveon AG	59,818	4.6	18,575	1.4
Autolus Therapeutics plc	61,979	4.7	81,180	6.2
Cambridge Epigenetix Limited	17,345	1.3	–	–
Freeline Therapeutics Holdings plc	32,277	2.5	167,902	12.9
Gyroscope Therapeutics Limited	–	–	150,062	11.5
OMass Therapeutics Limited	34,712	2.7	16,436	1.3
Purespring Therapeutics Limited	18,500	1.4	–	–
Quell Therapeutics Limited	81,416	6.2	35,069	2.7
SwanBio Therapeutics Limited	75,103	5.7	53,689	4.1
Companies of less than 1% of NAV	40,929	3.1	29,526	2.4
Total life science companies[1]	446,889	34.1	685,566	52.7
CRT Pioneer Fund[2]	28,183	2.2	36,576	2.8
Milestone payments	49,802	3.8	–	–
Total life science portfolio[3]	524,874	40.1	722,142	55.5
Capital pool investments				
UK treasury bills	179,984	13.7	344,862	26.5
Capital pool investment funds	99,489	7.6	–	–
Legacy funds	39,857	3.1	72,366	5.6
Total capital pool investments[2]	319,330	24.4	417,228	32.1
Other net assets				
Cash and cash equivalents[4]	485,223	37.0	199,833	15.4
Charitable donations	(4,250)	(0.3)	(4,710)	(0.4)
Other assets and liabilities	(15,336)	(1.2)	(34,204)	(2.6)
Total other net assets	465,637	35.5	160,919	12.4
Total NAV of the Group	1,309,841	100.0	1,300,289	100.0

[1] The fair value of Syncona Holdings Limited amounting to £980,282,165 (31 March 2021: £956,279,205) is comprised of investments in life science companies of £446,888,721 (31 March 2021: £685,566,309), investments in Syncona Investment Management Limited of £5,822,250 (31 March 2021: £5,752,423), milestone payments on Gyroscope sale of £49,801,548 (31 March 2021: £Nil), other net assets of £482,281,565 (31 March 2021: £269,383,714) in Syncona Portfolio Limited and other net liabilities of £4,511,919 (31 March 2021: £4,422,241) in Syncona Holdings Limited.

[2] The fair value of the investment in Syncona Investments LP Incorporated amounting to £342,949,949 (31 March 2021: £371,667,317) is comprised of the investment in the capital pool investments of £319,330,598 (31 March 2021: £417,227,726), the investment in the CRT Pioneer Fund of £28,183,492 (31 March 2021: £36,576,032), cash of £475,786,299 (31 March 2021: £189,439,798) and other net liabilities of £480,350,440 (31 March 2021: £271,576,239).

[3] The life science portfolio of £524,873,761 (31 March 2021: £722,142,341) consists of life science investments totalling £446,888,721 (31 March 2021: £685,566,309), milestone payments on Gyroscope sale of £49,801,548 held by Syncona Holdings Limited and CRT Pioneer Fund of £28,183,492 (31 March 2021: £36,576,032) held by Syncona Investments LP Incorporated.

(4) Cash amounting to £275,902 (31 March 2021: £13,916) is held by Syncona Limited. The remaining £484,947,557 (31 March 2021: £199,819,232) 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.

See note 1 for a description of Syncona Holdings Limited and Syncona Investments LP Incorporated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Notes	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
Investment income							
Other income	6	25,391	–	25,391	19,934	–	19,934
Total investment income		25,391	–	25,391	19,934	–	19,934
Net (losses)/gains on financial assets at fair value through profit or loss	7	–	(6,698)	(6,698)	–	58,605	58,605
Total (losses)/gains		–	(6,698)	(6,698)	–	58,605	58,605
Expenses							
Charitable donations	8	4,250	–	4,250	4,710	–	4,710
General expenses	9	5,605	–	5,605	20,671	–	20,671
Total expenses		9,855	–	9,855	25,381	–	25,381
Profit/(loss) for the year		15,536	(6,698)	8,838	(5,447)	58,605	53,158
Profit/(loss) for the year after tax		15,536	(6,698)	8,838	(5,447)	58,605	53,158
Earnings/(loss) per Ordinary Share	14	2.34p	(1.01)p	1.33p	(0.82)p	8.82p	8.00p
Earnings/(loss) per Diluted Share	14	2.31p	(1.00)p	1.31p	(0.81)p	8.74p	7.93p

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

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 derive from continuing operations.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Notes	2022 £'000	2021 £'000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	10	1,323,232	1,327,946

Current assets			
Bank and cash deposits		276	14
Trade and other receivables	11	9,878	10,446
Total assets		1,333,386	1,338,406
LIABILITIES AND EQUITY			
Non-current liabilities			
Share based payments	12	8,459	23,505
Current liabilities			
Share based payments	12	9,388	8,836
Payables	13	5,698	5,776
Total liabilities		23,545	38,117
EQUITY			
Share capital	14	767,999	767,999
Capital reserves	14	530,449	537,147
Revenue reserves		11,393	(4,857)
Total equity		1,309,841	1,300,289
Total liabilities and equity		1,333,386	1,338,406
Total net assets attributable to holders of Ordinary Shares		1,309,841	1,300,289
Number of Ordinary Shares in issue	14	666,733,588	664,580,417
Net assets attributable to holders of Ordinary Shares (per share)	14	£1.96	£1.96
Diluted NAV (per share)	14	£1.94	£1.94

The audited Consolidated Financial Statements were approved on 15 June 2022 and signed on behalf of the Board of Directors by:

Melanie Gee	Rob Hutchinson
Chair	Non-Executive Director

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 2022

	Notes	Share capital £'000	Capital reserves £'000	Revenue reserves £'000	Total £'000
As at 31 March 2020		**767,999**	**478,542**	**–**	**1,246,541**
Total comprehensive income for the year		–	58,605	(5,447)	53,158
Transactions with shareholders:					
Share based payments		–	–	590	590
As at 31 March 2021		**767,999**	**537,147**	**(4,857)**	**1,300,289**
Total comprehensive income for the year		–	(6,698)	15,536	8,838

Transactions with shareholders:				
Share based payments	–	–	714	714
As at 31 March 2022	**767,999**	**530,449**	**11,393**	**1,309,841**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit for the year		8,838	53,158
Adjusted for:			
Losses/(gains) on financial assets at fair value through profit or loss	7	6,698	(58,605)
Non-cash movement in share based payment provision		(15,764)	6,374
Operating cash flows before movements in working capital		(228)	927
Decrease/(increase) in trade and other receivables		568	(1,315)
(Decrease)/increase in other payables		(78)	385
Net cash generated from/(used in) from operating activities		262	(3)
Net increase/(decrease) in cash and cash equivalents		262	(3)
Cash and cash equivalents at beginning of the year		14	17
Cash and cash equivalents at end of the year		276	14

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 2022

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 within the Annual Report and Accounts.

2. ACCOUNTING POLICIES

The Group's investments in life science companies, other investments within the life science portfolio and capital pool investments are held 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 15 June 2022.

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 derivatives 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 2022 and 2021 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 and presentational 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.

£ is also the Group's presentational currency.

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 £1,309.8 million (31 March 2021: £1,300.3 million) of which £764.7 million (31 March 2021: £544.7 million) are readily realisable within three months in normal market conditions, and liabilities including uncalled commitments to underlying investments and funds amounting to £88.5 million (31 March 2021: £115.5 million).

Given the Group's capital pool of £784.9 million (31 March 2021: £578.2 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 potential future impact of COVID-19, the war in Ukraine and 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 statements 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 is 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 2022 and 31 March 2021, 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
The following amendments to accounting standards became effective during the year and were applied consistently:

Amendments to IFRS 16 “Accounting for COVID-19 related rent concessions”
In March 2021, the IASB issued the amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021, to update the condition to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021.

The amendment has had no impact on the Group’s financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 31 March 2022 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 discussed in detail as no material impact to the Group’s Consolidated Financial Statements is expected.

– 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 IFRS 3: Reference to the Conceptual Framework;
– Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract.
– Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors
– Amendments to IAS 12: Income Taxes

Financial instruments
Financial assets and derivatives are recognised in the Group’s Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Under IFRS 9, on initial recognition, 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 at fair value through profit or loss
The Group classifies its financial assets as investments at fair value through profit or loss based on the Group’s business model and the contractual cash flow characteristics of the financial assets.

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 2022 and 31 March 2021, 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.

Fair value
The Group's investments in life science companies and capital pool investments are held 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. 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 – 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, which can be value maintaining or value enhancing, is undertaken at each valuation point and considers changes to the external environment 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 of 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 investments were valued on a DCF basis as at 31 March 2022 and 31 March 2021.

Fair value – life science portfolio – milestone payments
Milestone payments which form part of the total consideration resulting from a business combination and is dependent on the meeting of future conditions is initially recognised 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 – 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. 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 12% to 30% (31 March 2021: 11% to 31%); and probabilities of success that result in an average cumulative probability of success across the life science

portfolio of 32% (31 March 2021: 31%). 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.

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. 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 and cash equivalents comprise cash at bank and demand deposits. 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 between items of a revenue and capital nature has been presented alongside the Consolidated Statement of Comprehensive Income.

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, technical, or commercial performance.

Where considered appropriate, once substantial clinical data has been generated the Group will use input from independent valuation advisors 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: Anaveon AG; OMass Therapeutics Limited; Quell Therapeutics Limited; and SwanBio Therapeutics Limited.

The review was limited to certain specific limited procedures which we identified and requested L.E.K. to perform within an agreed limited scope, and it was subject to assumptions which are forward looking in nature and subjective judgements. Upon completion of the review within the parameters of the agreed procedures L.E.K. estimated an independent range of fair values of those investments. The limited procedures carried out by L.E.K. did not involve an audit, review, compilation or any other form of verification, examination or attestation under generally accepted auditing standards and were based on the sources agreed in the limited scope only. Syncona Investment Management Limited ("the AIFM") is

responsible for determining the fair value of the investments, and the review performed by L.E.K. to assist Syncona is only one element of the enquiries and procedures in the process in making a determination of the fair value of those investments and for which SIML is ultimately responsible.

During the year the investment in Gyroscope was sold to an external third party for consideration comprising of upfront cash and cash to be paid in the future subject to certain milestones being met ("milestone payments"). Gyroscope was previously held as an investment at fair value through profit or loss by Syncona Portfolio Limited due to Syncona Portfolio Limited meeting the conditions of being an investment entity and holding its subsidiaries at fair value through profit or loss.

There is currently no prescriptive accounting standard for the seller where milestone payments which are contingent on a future event is agreed in a contract for the disposal of a subsidiary. Guidance available within IFRS 3 "Business Combinations" to the acquiring entity was therefore applied to the recognition and measurement of the milestone payments. IFRS 3 requires the acquirer to recognise any milestone payments dependent on uncertain events to be recognised as a financial liability at fair value through profit or loss in their financial statements. In accordance with available guidance and industry practice it was concluded that the milestone payments receivable following the sale of Gyroscope are required to be recognised as a financial asset measured at fair value through profit or loss in the financial statements of Syncona Portfolio Limited. This forms part of the fair value of the Groups investment in the Holding Company.

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 and milestone payments on sale of a subsidiary, 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 achievement or not of value enhancing milestones as 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 18% (2021: 18%) 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.

The Company has analysed the impact of the COVID-19 pandemic on the private life science companies and does not consider that any COVID-19 revaluations are required, however the final impact of the pandemic is not yet certain and may have effects on the portfolio companies that have not been anticipated.

The Company has assessed the current impact of the war in Ukraine on the private life science companies and does not consider that any revaluations are required as a result, however the final impact of the war is not yet certain and may have effects on the portfolio companies that have not been anticipated.

The fair value of the milestone payments is inherently difficult to calculate with the value being dependent on contingent events. To this end the valuation is determined using a DCF model where the key unobservable inputs are the probability of the contingent events occurring and the discount rate applied in order to generate a present value of the asset. The accounting policy for the milestone payments is described in note 2 and the fair value is detailed in note 19.

In determining a suitable range to sensitise the fair value of the milestone payments Management note varying sources of publicly available information for relevant probabilities of success that could be applied

to the DCF in order to generate differing valuations. The range of £42 million - £54 million by Management reflects their estimate of a range of reasonably possible valuations as at 31 March 2022.

The CRT Pioneer Fund is invested in early-stage life science projects and companies. A market value can be difficult to determine for assets of this nature. The Company values its interest in the CRT Pioneer Fund by reference to the valuation provided by the manager of that fund, adjusted to reflect the Company's view on certain of the key valuation inputs. Sensitivity to a 48% (31 March 2021: 23%) movement in the valuation of the CRT Pioneer Fund is included in note 19 being the identified range of other alternative valuations of this asset.

As at the year end, none (31 March 2021: 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.

The share based payment charge is determined using an externally generated model in accordance with IFRS 2 using a probability-weighted expected returns methodology. Additional details regarding the key inputs into the valuation are stated in note 2.

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	2022 % interest[1]	2021 % 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	2022 % 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 Investment Management Limited	UK	Syncona Holdings Limited	Portfolio management	100%
SIML Switzerland AG	Switzerland	SIML	Portfolio management	100%
SwanBio Therapeutics Limited	United States	Syncona Portfolio Limited	Gene therapy	76%
Purespring Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	76%
Forcefield Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	76%
Resolution Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	73%
Freeline Therapeutics Holdings plc	UK	Syncona Portfolio Limited	Gene therapy	61%
OMass Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecule	53%

Indirect associates	Principal place of business	Immediate parent	Principal activity	2022 % interest[1]
Quell Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	44%
Anaveon AG	Switzerland	Syncona Portfolio Limited	Biologics	41%
Azeria Therapeutics Limited	UK	Syncona Portfolio Limited	In voluntary liquidation	34%
Achilles Therapeutics plc	UK	Syncona Portfolio Limited	Cell therapy	27%
Autolus Therapeutics plc	UK	Syncona Portfolio Limited	Cell therapy	21%

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

Indirect Subsidiaries	Principal place of business	Immediate parent	Principal activity	2021 % 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 Investment Management Limited	UK	Syncona Holdings Limited	Portfolio management	100%
Quell Therapeutics Limited	UK	Syncona Portfolio Limited	Cell therapy	83%
SwanBio Therapeutics Limited	United States	Syncona Portfolio Limited	Gene therapy	76%
Resolution Therapeutics Limited (formerly Syncona Collaboration (E) Limited)	UK	Syncona Portfolio Limited	Cell therapy	66%
Purespring Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	65%
Gyroscope Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	59%
Freeline Therapeutics Holdings plc	UK	Syncona Portfolio Limited	Gene therapy	53%
Anaveon AG	Switzerland	Syncona Portfolio Limited	Biologics	50%
OMass Therapeutics Limited	UK	Syncona Portfolio Limited	Small molecule	49%
Forcefield Therapeutics Limited	UK	Syncona Portfolio Limited	Gene therapy	47%

Indirect associates	Principal place of business	Immediate parent	Principal activity	2021 % interest[1]
Azeria Therapeutics Limited	UK	Syncona Portfolio Limited	In voluntary liquidation	34%
Autolus Therapeutics plc	UK	Syncona Portfolio Limited	Cell therapy	28%
Achilles Therapeutics plc	UK	Syncona Portfolio Limited	Cell therapy	27%

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 £1,200 (31 March 2021: £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 cash transfers from the Partnership which are used for paying costs and dividends of the Group.

During the year, income received from the Partnership amounted to £25,390,625 (31 March 2021: £19,933,644) of which £4,249,836 (31 March 2021: £4,710,217) remained receivable as at 31 March 2022. The receivable reflects the charitable donations of the Group. Refer to note 8.

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

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

	Note	2022 £'000	2021 £'000
Net (losses)/gains from:			
The Holding Company	7.a	22,019	60,551
The Partnership	7.b	(28,717)	(1,946)
		(6,698)	58,605

7.a Movements in the Holding Company:

	2022 £'000	2021 £'000
Expenses	(90)	(89)
Movement in unrealised gains on life science investments at fair value through profit or loss	22,109	60,640
Net gains on financial assets at fair value through profit or loss	22,019	60,551

7.b Movements in the Partnership:

	2022 £'000	2021 £'000
Investment income	23	117
Rebates and donations	409	18
Other income	–	53
Expenses	(229)	(273)
Realised gains on financial assets at fair value through profit or loss	13,716	33,479
Movement in unrealised losses on financial assets at fair value through profit or loss	(19,185)	(10,740)
Gains/(losses) on foreign currency	1,940	(4,666)
Gains on financial assets at fair value through profit or loss	(3,326)	17,988
Distributions	(25,391)	(19,934)
Net losses on financial assets at fair value through profit or loss	(28,717)	(1,946)

8. CHARITABLE DONATIONS

For the years ended 31 March 2022 and 31 March 2021, the Group has agreed to make a donation to charity of 0.35% of the total NAV of the Group calculated on a monthly basis, 0.15% to be donated to The Institute of Cancer Research and 0.20% to be donated to The Syncona Foundation, and these donations are made by the General Partner.

During the year, charitable donations expense amounted to £4,249,836 (31 March 2021: £4,710,217). As at 31 March 2022, £4,249,836 (31 March 2021: £4,710,217) remained payable. Refer to note 13.

9. GENERAL EXPENSES

	2022 £'000	2021 £'000
Share based payments	(7,304)	10,561
Investment management fees	10,699	8,177
Directors' remuneration	419	386
Auditor's remuneration	141	143
Other expenses	1,650	1,404
	5,605	20,671

Auditor's remuneration includes audit fees in relation to the Group of £105,000 (31 March 2021: £87,500). Total audit fees paid by the Group and the Syncona Group Companies for the year ended 31 March 2022 totalled £210,000 (31 March 2021: £187,000). Additional fees paid to the auditor were £38,000 (31 March 2021: £30,000) which relates to work performed at the interim review of £30,000 (31 March 2021: £23,000) and other non-audit fees of £8,000 (31 March 2021: £7,000).

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

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2022 £'000	2021 £'000
The Holding Company	10.a	980,282	956,279
The Partnership	10.b	342,950	371,667

	1,323,232	1,327,946

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

	2022 £'000	2021 £'000
Cost of the Holding Company's investment at the start of the year	494,810	493,310
Purchases during the year	–	1,500
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	489,984	465,891
Fair value of the Holding Company's investments at the end of the year	984,794	960,701
Other current liabilities	(4,512)	(4,422)
Financial assets at fair value through profit or loss at the end of the year	980,282	956,279

10.b The net assets of the Partnership

	2022 £'000	2021 £'000
Cost of the Partnership's investments at the start of the year	418,472	682,750
Purchases during the year	835,375	1,075,333
Sales during the year	(923,659)	(1,340,000)
Return of capital	(9,070)	(33,090)
Net realised gains on disposals during the year	13,716	33,479
Cost of the Partnership's investments at the end of the year	334,834	418,472
Net unrealised gains on investments at the end of the year	16,147	35,332
Fair value of the Partnership's investments at the end of the year	350,981	453,804
Cash and cash equivalents	475,786	189,440
Other net current liabilities	(483,817)	(271,577)
Financial assets at fair value through profit or loss at the end of the year	342,950	371,667

11. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Due from related parties (see note 16)	5,462	5,736
Charitable donation receivable from related party	4,250	4,710
Prepayments	166	–
	9,878	10,446

12. SHARE BASED PAYMENTS

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:

	2022 £'000	2021 £'000
Charge related to revaluation of the liability for cash settled share awards	(7,304)	10,561
Total	(7,304)	10,561

Amounts recognised in the Consolidated Statement of Financial Position, representing the carrying amount of liabilities arising from share based payments transactions are shown below:

	2022 £'000	2021 £'000
Share based payments - current	9,388	8,836
Share based payments - non-current	8,459	23,505
Total	17,847	32,341

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 2022 was £2,883,500 (31 March 2021: £2,907,000). This represents 8,238,571 new MES issued (31 March 2021: 5,902,624). An award was made on 15 July 2021 at 35p per MES.

The number of MES outstanding are shown below:

	2022	2021
Outstanding at the start of the year	43,873,239	41,937,713
Issued	8,238,571	5,902,624
Realised	(7,253,638)	(3,953,906)
Lapsed	(2,576,050)	(13,192)
Outstanding at the end of the year	42,282,122	43,873,239
Weighted average remaining contractual life of outstanding MES, years	1.20	1.24
Vested MES as at the year end	31,293,486	38,502,646
Realisable MES as at the year end	11,478,050	9,625,668

As at 31 March 2022, if all MES were realised, the number of shares issued in the Company as a result would increase by 6,880,057 (31 March 2021: 6,177,787). The undiluted per share value of net assets attributable to holders of Ordinary Shares would fall from £1.97 to £1.94 (31 March 2021: £1.96 to £1.94) if these shares were issued.

13. PAYABLES

	2022 £'000	2021 £'000
Charitable donations payable	4,250	4,710
Management fees payable	1,048	600
Other payables	400	466
	5,698	5,776

14. SHARE CAPITAL

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.

	2022 £'000	2021 £'000
Ordinary Share Capital		
Balance at the start of the year	767,999	767,999
Balance at the end of the year	767,999	767,999

	2022 Shares	2021 Shares
Ordinary Share Capital		
Balance at the start of the year	664,580,417	663,665,537
Share based payment shares issued during the year	2,153,171	914,880
Balance at the end of the year	666,733,588	664,580,417

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

B. Capital 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.

C. Earnings/(loss) per share

The calculations for the earnings/(loss) per share attributable to the Ordinary Shares of the Company are based on the following data:

	2022	2021
Earnings for the purposes of earnings per share	£8,838,000	£53,158,000
Basic weighted average number of shares	666,108,284	664,314,726
Basic revenue earnings per share	2.3p	(0.8)p
Basic capital (loss)/earnings per share	(1.0)p	8.8p
Basic earnings per share	1.3p	8.0p
Diluted weighted average number of shares	672,988,341	670,492,513
Diluted revenue earnings per shares	2.3p	(0.8)p
Diluted capital (loss)/earnings per share	(1.0)p	8.7p
Diluted earnings per share	1.3p	7.9p

	2022	2021
Issued share capital at the start of the year	664,580,417	663,665,537
Weighted effect of share issues		
Share based payments	1,527,867	649,189
Potential share based payment share issues	6,880,057	6,177,787
Diluted weighted average number of shares	672,988,341	670,492,513

D. NAV per share

	2022	2021
Net assets for the purposes of NAV per share	£1,309,840,518	£1,300,287,998
Ordinary Shares in issue	666,733,588	664,580,417
NAV per share	196.5p	195.7p
Diluted number of shares	673,613,645	670,758,204
Diluted NAV per share	194.4p	193.9p

15. DISTRIBUTION TO SHAREHOLDERS

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

During the year ended 31 March 2022, the Company did not declare or pay a dividend (31 March 2021: £Nil was paid in relation to the year ended 31 March 2020). The Directors believe that it is not appropriate for the Company to pay a dividend.

The Company is not declaring a 2022 dividend.

16. RELATED PARTY TRANSACTIONS

The Group has various related parties; life sciences 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 £62,765,311 (31 March 2021: £145,075,244).

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.

During the year, the total amount invested in life science investments in which the Group has significant influence was £46,592,768 (31 March 2021: £29,767,748).

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 £222,406 in relation to Director's fees (31 March 2021: £188,965).

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

For the year ended 31 March 2022, SIML was entitled to receive an annual fee of up to 1.05% of the Company's NAV (31 March 2021: 1.05%) per annum.

	2022 £'000	2021 £'000
Amounts paid to SIML	10,699	8,177

Amounts owed to SIML in respect of management fees totalled £1,047,525 as at 31 March 2022 (31 March 2021: £599,519).

During the year, SIML received fees from the Group's portfolio companies of £615,342 (31 March 2021: £305,819).

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.

Thomas Henderson resigned as a Director of the Company with effect from 3 August 2021.

Nicholas Moss resigned as a Director of the Company with effect from 31 December 2021. He retained his Directorship of the General Partner, the Holding Company and Syncona Portfolio Limited.

Nigel Keen retired as a Director of the Company and Chairman of the Investment Manager with effect from 31 December 2021. He received fees of £102,575 (31 March 2021: £133,430) from the Investment Manager, in respect of his services to the Investment Manager.

Julie Cherrington and Cristina Csimma were appointed as Directors of the Company with effect from 1 February 2022.

Directors' remuneration for the years ended 31 March 2022 and 31 March 2021, excluding expenses incurred, and outstanding Directors' remuneration as at the end of the year, are set out below.

	2022 £'000	2021 £'000
Directors' remuneration for the year	419	386
Payable at 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 2021: 1.24%) 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 2022 was £2,691,553 (31 March 2021: £2,632,809).

Other related parties
As at 31 March 2022, the Company has a receivable from the Partnership, Holding Company and Syncona Portfolio Limited amounting to £15,409 (31 March 2021: £106,981), £5,431,409 (31 March 2021: £5,489,048) and £15,409 (31 March 2021: £137,246), 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.

	2022 £'000	2021 £'000
Financial assets at fair value through profit or loss		
The Holding Company	980,282	956,279
The Partnership	342,950	371,667
Total financial assets at fair value through profit or loss	1,323,232	1,327,946
Financial assets measured at amortised cost		
Bank and cash deposits	276	14
Other financial assets	9,878	10,446
Total financial assets measured at amortised cost	10,154	10,460
Financial liabilities at fair value through profit or loss		
Provision for share based payments	(17,847)	(32,341)
Total financial liabilities at fair value through profit or loss	(17,847)	(32,341)
Financial liabilities measured at amortised cost		
Other financial liabilities	(5,698)	(5,776)
Total financial liabilities measured at amortised cost	(5,698)	(5,776)
Net financial assets	1,309,841	1,300,289

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 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).

	2022 £'000	2021 £'000
Financial assets at fair value through profit or loss		
Investment in subsidiaries	984,794	960,701
Total financial assets at fair value through profit or loss	984,794	960,701
Financial assets measured at amortised cost[(1)]		
Current assets	947	1,088
Financial liabilities measured at amortised cost[(1)]		
Current liabilities	(5,459)	(5,510)
Net financial assets of the Holding Company	980,282	956,279

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

	2022 £'000	2021 £'000
Financial assets at fair value through profit or loss		
Listed investments	279,473	344,862
Unlisted investments	39,857	72,366
Investment in subsidiaries	31,651	36,576
Total financial assets at fair value through profit or loss	350,981	453,804
Financial assets measured at amortised cost[(1)]		
Current assets	476,586	189,913
Financial liabilities measured at amortised cost[(1)]		
Current liabilities	(484,617)	(272,050)
Net financial assets of the Partnership	342,950	371,667

[(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, 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 and the performance of extensive due diligence prior to investment.

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") and Swiss Francs ("CHF") 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	USD £'000	GBP £'000	2022 Total £'000
Financial assets at fair value through profit or loss	59,818	370,772	554,204	984,794
Cash and cash equivalents	–	–	297	297
Receivables	–	–	650	650
Payables	–	–	(5,459)	(5,459)
Total	59,818	370,772	549,692	980,282

	CHF £'000	USD £'000	GBP £'000	2021 Total £'000
Financial assets at fair value through profit or loss	18,582	487,421	454,698	960,701
Cash and cash equivalents	–	–	438	438
Receivables	–	–	650	650
Payables	–	–	(5,510)	(5,510)
Total	18,582	487,421	450,276	956,279

Foreign currency sensitivity analysis
The following table details the sensitivity of the Holding Company's NAV to a 10% change in the £ exchange rate against the USD and CHF 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.

	2022 USD £'000	2022 CHF £'000	2021 USD £'000	2021 CHF £'000
10% increase	35,663	6,646	66,922	2,064
10% decrease	(29,179)	(5,438)	(54,754)	(1,689)

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

	>3 to 12 months £'000	>12 months £'000	2022 Total £'000
Financial assets at fair value through profit or loss	–	984,794	984,794
Cash and cash equivalents	297	–	297
Receivables	–	650	650
Payables	(37)	(5,422)	(5,459)
Total	260	980,022	980,282
Percentage	0.0%	100.0%	100.0%

	>3 to 12 months £'000	>12 months £'000	2021 Total £'000
Financial assets at fair value through profit or loss	–	960,701	960,701
Cash and cash equivalents	–	438	438
Receivables	–	650	650
Payables	(89)	(5,421)	(5,510)
Total	(89)	956,368	956,279
Percentage	0.0%	100.0%	100.0%

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 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 2022 and 31 March 2021 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, Euro ("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	2022 Total £'000
Financial assets at fair value through profit or loss	3,899	27,418	319,664	350,981
Cash and cash equivalents	354,553	28	121,205	475,786
Trade and other receivables	2	–	798	800
Payables	(334,998)	–	(145,369)	(480,367)
Distributions payable	–	–	(4,250)	(4,250)
	23,456	27,446	292,048	342,950

	USD £'000	EUR £'000	GBP £'000	2021 Total £'000
Financial assets at fair value through profit or loss	7,785	57,259	388,760	453,804
Cash and cash equivalents	51,207	14	138,219	189,440
Trade and other receivables	–	–	473	473
Payables	–	–	(267,340)	(267,340)
Distributions payable	–	–	(4,710)	(4,710)
	58,992	57,273	255,402	371,667

Foreign currency sensitivity analysis

The following table details the sensitivity of the Partnership's NAV to a 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.

	2022 USD £'000	2022 EUR £'000	2021 USD £'000	2021 EUR £'000
10% increase	2,355	2,745	5,686	4,683
10% decrease	(2,355)	(2,745)	(5,686)	(4,683)

The above includes the effect of the Group's hedging strategy.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts are 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 effected by 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 Partnerships investments.

The Partnership invests in short-term UK treasury bills and considers the associated credit risk to be negligible.

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 other receivables.

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 2022, no (31 March 2021: Nil) suspension from redemptions existed in any of the Partnership's underlying investments.

The Partnership invests in short-term UK treasury bills and considers the associated liquidity risk to be negligible.

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	2022[(1)] Total £'000
Financial assets at fair value through profit or loss	279,473	–	–	71,508	350,981
Cash and cash equivalents	475,786	–	–	–	475,786
Trade and other receivables	800	–	–	–	800
Payables	(480,367)	–	–	–	(480,367)
Distributions payable	–	(4,250)	–	–	(4,250)
Total	275,692	(4,250)	–	71,508	342,950
Percentage	80.3%	(1.2)%	0.0%	20.9%	100.0%

	Within 1 month £'000	>1 to 3 months £'000	>3 to 12 months £'000	>12 months £'000	2021[(1)] Total £'000
Financial assets at fair value through profit or loss	70,001	259,861	15,000	108,942	453,804
Cash and cash equivalents	189,440	–	–	–	189,440
Trade and other receivables	473	–	–	–	473
Payables	(267,340)	–	–	–	(267,340)
Distributions payable	–	(4,710)	–	–	(4,710)
Total	(7,426)	255,151	15,000	108,942	371,667
Percentage	(2.0)%	68.7%	4.0%	29.3%	100.0%

[(1)] The liquidity tables above reflect the anticipated cash flows assuming notice was given to all underlying investments as at 31 March 2022 and 31 March 2021 and that all UK 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 and liabilities by level within the valuation hierarchy as at 31 March 2022 and 31 March 2021:

Assets	**Level 1 £’000**	**Level 2 £’000**	**Level 3 £’000**	**2022 Total £’000**
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	980,282	980,282
The Partnership	–	–	342,950	342,950
Total assets	–	–	1,323,232	1,323,232

Assets	**Level 1 £’000**	**Level 2 £’000**	**Level 3 £’000**	**2021 Total £’000**
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	956,279	956,279
The Partnership	–	–	371,667	371,667
Total assets	–	–	1,327,946	1,327,946

The investments in the Holding Company and the Partnership are classified as Level 3 investments due to the use of the unadjusted 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 Partnership and the Holding Company are shown below.

The following table presents the Holding Company’s financial assets by level within the valuation hierarchy as at 31 March 2022 and 31 March 2021:

Asset type	Level	31 March 2022 £'000	31 March 2021 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
Listed investments	1	121,226	387,514	Publicly available share bid price as at statement of financial position date	n/a	n/a
SIML	3	5,822	5,752	Net Assets of SIML	Carrying value of assets and liabilities determined in accordance with generally accepted accounting principles, without adjustment. A sensitivity of 5% of the NAV of SIML is applied.	+/- £291
Milestone payments	3	49,802	–	Discounted Cash Flow	The main unobservable inputs consist of the assigned probability of milestone success and the discount rate used.	PoS: +/- £5,889 Discount rate: £7,558
Calibrated PRI[(1)]	3	325,662	296,497	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 +/-18%.	+/- £58,619
Adjusted price of latest funding round[(2)]	3	–	1,555	Price of latest funding round adjusted by Management	The main unobservable input was the potential value returned in various exit scenarios and the weighting between these scenarios. A reasonable shift in the Fair Value of the investment was +/-18%.	+/- 274

(1) Valuation made by reference to price of recent funding round unadjusted following adequate consideration of current facts and circumstances.
(2) Valuation made by reference to price of recent funding round adjusted following adequate consideration of current facts and circumstances.

The following table presents the movements in Level 3 investments of the Holding Company for the years ended 31 March 2022 and 31 March 2021:

	Life science investments £'000	Other asset £'000	SIML £'000	2022 Total £'000	2021 Total £'000
Opening balance	298,052	–	5,752	303,804	363,476
Purchases during the year	107,817	–	–	107,817	151,014
Sales during the year	(325,837)	–	–	(325,837)	(3,017)
Gains on financial assets at fair value through profit or loss	245,630	49,802	70	295,502	37,827
Transfer from Level 3	–	–	–	–	(245,496)
Closing balance	325,662	49,802	5,822	381,286	303,804

The net gains 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 £295,502,000 (2021: £37,827,000).

During the year, there were no movements from Level 3 to Level 1 (31 March 2021: £245,495,636) or between Level 2 and Level 1 (31 March 2021: £nil)

The following table presents the Partnership's financial assets by level within the valuation hierarchy as at 31 March 2022 and 31 March 2021:

Asset type	Level	31 March 2022 £'000	31 March 2021 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
UK treasury bills	1	179,984	344,862	Publicly available price as at statement of financial position date	n/a	n/a

Capital pool investment fund - Credit funds	2	99,489	–	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Legacy funds - Unlisted fund investments	2	–	26,098	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Legacy funds – Long-term unlisted investments	3	39,857	46,268	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%.	+/- £3,986
Investment in Subsidiary	3	28,183	36,576	Valuation produced by fund administrator and adjusted by Management	Unobservable inputs include the fund managers 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 +/-48%.	+/- £13,528

During the year ended 31 March 2022, there were no movements from Level 1 to Level 2 (31 March 2021: £Nil) or between other Levels in the fair value hierarchy.

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 2022:

	Investment in Subsidiary £'000	**Capital pool investment £'000**	**2022 Total £'000**	**2021 Total £'000**
Opening balance	36,576	46,268	82,844	92,980
Purchases	1,832	760	2,592	5,748
Return of capital	–	(9,070)	(9,070)	(34,491)
(Losses)/gains on financial assets at fair value through profit or loss	(6,757)	1,899	(4,858)	18,607
Closing balance	31,651	39,857	71,508	82,844

The net (losses)/gains for the year included in the Consolidated Statement of Comprehensive Income in respect of Level 3 investments of the Partnership held as at the year end amounted to £4,857,645 (31 March 2021: £18,607,213 gains).

20. COMMITMENTS AND CONTINGENCIES

The Group had the following commitments as at 31 March 2022:

	2022 Uncalled commitment £'000	**2021 Uncalled commitment £'000**
Life science portfolio		

Milestone payments to life science companies	82,617	106,854
CRT Pioneer Fund	3,424	4,888
Capital pool investments	2,429	3,751
Total	88,470	115,493

There were no contingent liabilities as at 31 March 2022 (March 2021: nil). The commitments are expected to fall due in the next 36 months.

21. SUBSEQUENT EVENTS

These Consolidated Financial Statements were approved for issuance by the Directors on 15 June 2022. Subsequent events have been evaluated until 14 June 2022.

Since the statement of financial position date share price movements resulted in a decrease in value of the listed life science investments of £37.1 million as at 14 June 2022.

The Directors continue to monitor the Group's assets and strategy in light of the latest market events including inter alia, the war in Ukraine, inflationary and interest rate rises, and COVID-19 impacts. At the date of signing they are not aware of any direct or immediate post year end impacts that materially affect the financial statements.

Post year end the Group invested £9 million in the OMass Series B and $19 million in the SwanBio Series B, with £13 million invested in Resolution as part of the existing Series A financing. In addition $400 million was invested in US treasury bills.

GLOSSARY

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

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

CAGR
Compound Annual Growth Rate.

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

CAR-T therapy
Chimeric antigen receptor T-cell therapy – a type

IRR
Internal Rate of Return.

Life science portfolio
The underlying investments in this segment are those whose activities focus on actively developing products to deliver transformational treatments to patients.

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.

Mass Spectrometry
A technique used by which chemical substances are identified by the sorting of gaseous ions in electric fields according to their mass-to-charge ratios.

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.

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.

Fabry disease
A rare genetic disease resulting from a deficiency of the enzyme alpha-galactosidase A, leading to dysfunctional lipid metabolism and abnormal glycolipid deposits.

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

Haemophilia B
A genetic disorder caused by missing or defective Factor IX that can result in dangerously low levels of the essential clotting protein.

Holding Company
Syncona Holdings Limited.

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

MES
Management Equity Shares.

mRNA
Messenger ribonucleic acid (RNA).

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.

NAV per share
See alternative performance measures below.

NAV total return
See alternative performance measures below.

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.

Partnership
Syncona Investments LP Incorporated.

SIML
Syncona Investment Management Limited

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

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

ICR
The Institute of Cancer Research.

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.

iPSC technology
Induced pluripotent stem cells (iPSCs) are a type of pluripotent stem cell which can be generated directly from mature cells (such as those of the skin or blood).

companies are exposed to from climate change and the transition to a green economy.

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.

Viral vectors
A modified version of a virus which is designed to deliver genetic material to cells.

ALTERNATIVE PERFORMANCE MEASURES

Capital deployed

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

A Net investment in the period	£(203.0)m
adjusted for:	
B Gyroscope proceeds	£325.8m
C CRT Pioneer fund distributions	£0.4m
Total Capital deployed (A+B+C)	£123.2m

Life science portfolio return
Gross life science portfolio return for 2022 0.8 per cent; 2021 11.8 per cent. This is calculated as follows:

A Opening life science portfolio	£722.1m
Net investment in the period	£(203.0)m
B Valuation movement	£5.9m
Closing life science portfolio	£524.9m
Life science portfolio return (B/A)	0.8%

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:

A NAV for the purposes of NAV per share	£1,309,840,518
B Ordinary shares in issue (note 14)	666,733,588
C Dilutive shares	6,880,057
D Fully diluted number of shares (B+C)	673,613,645
NAV per share (p) (A/D)	194.4

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:

A Opening NAV per fully diluted share (note 14):	193.9p
B Closing NAV per fully diluted share (note 14):	194.4p
C Movement (B-A)	0.5p
D Dividend paid in the year (note 15):	0.0p
E Total movement (B+C-A)	0.5p
NAV Total Return (E/A)	0.3%