

Syncona Limited

First Quarter Update

Continued positive momentum across maturing portfolio delivered against a challenging macro backdrop

16 August 2022

Syncona Ltd, a leading healthcare company focused on founding, building and funding global leaders in life science, today issues its quarterly update covering the period from 01 April to 30 June 2022.

Martin Murphy, CEO and Chair, Syncona Investment Management Limited, said: “We are pleased with the continued progress across the Syncona portfolio during the quarter, with our companies delivering on a number of operational and clinical milestones.

Our strategic capital base remains a key competitive advantage, enabling us to continue to fund our companies through the current market conditions, with £38 million of capital deployed in the quarter, and strongly positioning us to take advantage of exciting opportunities to found new Syncona companies.

Syncona was founded with a long-term vision and approach that leverages our team’s experience in managing life science companies through all market cycles. We are confident that we can navigate the current environment to deliver strong risk-adjusted returns for our shareholders and fulfil our purpose to extend and enhance human life.”

Financial performance in the quarter

- Net assets of £1,330.5 million (31 March 2022: £1,309.8 million), 197.9p per share (31 March 2022: 194.4p per share), a NAV return of 1.8% in the period, driven by the positive impact of foreign exchange across the portfolio and capital pool¹
- Life science portfolio valued at £561.8 million (31 March 2022: £524.9 million), a return of (0.2)% in the quarter²
- The share prices of our listed holdings have continued to be negatively impacted by market volatility. We remain confident in the fundamentals of our companies

Portfolio remains funded to deliver on upcoming clinical milestones in FY2022/3

- £38.0 million deployed in the period; capital base of £768.7 million at 30 June 2022 (31 March 2022: £784.9 million)
- Capital base provides Syncona with a strategic advantage as it looks to fund exciting new opportunities whilst supporting its current portfolio

Continued clinical progress across our clinical stage companies during the period

- Anaveon announced encouraging initial clinical data in the Phase I/II study of ANV419
- Autolus Therapeutics (Autolus) made progress across its portfolio of candidates including in its lead programme, obe-cel in adult acute lymphoblastic leukaemia (ALL)
 - Published positive data at the European Hematology Association (EHA) Congress in AUTO1/22 in paediatric ALL, AUTO4 in T cell lymphoma and obe-cel in a number of indications
 - The US Food and Drug Administration (FDA) granted Regenerative Medicine Advanced Therapy (RMAT) designation to its lead obe-cel programme in adult ALL which is currently advancing through a pivotal trial
- Achilles Therapeutics (Achilles) dosed its first patient in its higher dose cohort for its trial in non-small cell lung cancer (NSCLC), validating the company’s updated manufacturing process

Pre-clinical companies delivering on operational plans and progressing towards the clinic

¹ 51% of the capital pool is held in foreign denominated currencies, predominantly US\$

² Life science portfolio return reflects net valuation movement in the period excluding net capital invested

Progress towards the clinic

- Neogene Therapeutics (Neogene) announced the approval of its Clinical Trial Application for the Phase I trial of its T cell receptor therapy in solid tumours
- SwanBio Therapeutics (SwanBio) presented preclinical data from its SBT101 programme in adrenomyeloneuropathy (AMN) which supports its dosing strategy for its upcoming Phase I/II trial

Strategic diversification in cell therapy clinical pipeline

- Quell Therapeutics (Quell) entered a strategic collaboration with Cellistic™ to develop an induced pluripotent stem cell (iPSC) derived allogeneic T regulatory cell therapy platform, further diversifying its potential
- Resolution Therapeutics (Resolution) announced a research collaboration with panCELLA enabling access to its hypo-immunogenic iPSC technology. This technology means the company is able to progress the development of its allogeneic macrophage programme and expand its pipeline of cell-based therapies

Strategic balance sheet funding portfolio companies as they scale and exciting new opportunities

- Committed £15.0 million in a £75.5 million Series B financing of OMass Therapeutics (OMass), alongside a globally leading syndicate of existing and new investors, including GV, Northpond and Sanofi Ventures
- \$53.7 million (£43.6 million) commitment to SwanBio in a \$55.9 million (£45.3 million) Series B financing
- Commitment of \$1.0 million in seed financing of Tier 1 Bio, an early-stage biologics opportunity

Key upcoming milestones in FY2022/3

- **Autolus** expects to
 - Progress its pivotal study in obe-cel in r/r adult ALL, now providing initial results in Q4 CY2022; with full data expected in H1 CY2023
 - Announce longer-term follow-up data from AUTO1/22 in paediatric ALL and AUTO4 in peripheral T cell lymphoma in H2 CY2022
- **Achilles** expects to provide initial data from the higher dose clinical cohorts of the Phase I/IIa clinical trials of its cNeT therapy in NSCLC and melanoma in Q4 CY2022
- **Freeline** has provided updated guidance
 - In the Phase I/II dose-finding trial in Fabry disease, dosing of the second cohort and a programme update are expected in H2 CY2022
 - Dosing in the Phase I/II dose-finding trial in Gaucher disease is expected in H2 CY2022, with initial safety and efficacy data expected to be reported in H1 CY2023
 - Updated safety and efficacy data from the Phase I/II dose-confirmation trial in haemophilia B is expected in H2 CY2022. Freeline continues to evaluate strategic options for the programme
- **Anaveon** expects to publish further data from its Phase I/II 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 AMN in H2 CY2022
- **Neogene** expects to enter the clinic with its NT-125 TCR therapy in advanced solid tumours in H1 CY2023

Valuation movements in the quarter

Company	31 Mar 2022	Net investment in the period	Valuation change	FX movement	30 Jun 2022	% of Group NAV	Valuation basis ^{3,4,5}	Fully diluted ownership stake	Focus area
	(£m)	(£m)	(£m)	(£m)	(£m)			(%)	
<u>Portfolio Companies</u>									
<i>Clinical</i>									
Anaveon	59.8	-	-	2.5	62.3	4.7%	PRI	37.9%	Biologics
Autolus	62.0	-	(19.9)	3.3	45.4	3.4%	Quoted	18.8%	Cell therapy
Freeline	32.3	-	(7.0)	2.0	27.3	2.1%	Quoted	53.4%	Gene therapy
Achilles	24.8	-	(3.5)	1.7	23.0	1.7%	Quoted	25.3%	Cell therapy
<i>Pre-Clinical</i>									
SwanBio	75.1	15.6	0.7	5.6	97.0	7.3%	Cost	79.9%	Gene therapy
Quell	81.4	-	-	6.4	87.8	6.6%	PRI	37.4%	Cell therapy
Resolution	10.4	12.6	-	-	23.0	1.7%	Cost	81.1%	Cell therapy
Purespring	18.5	-	-	-	18.5	1.4%	Cost	84.0%	Gene therapy
Neogene	14.5	-	-	1.1	15.6	1.2%	Cost	7.9%	Cell therapy
Clade	11.4	-	-	1.0	12.4	0.9%	Cost	22.6%	Cell therapy
<i>Drug discovery</i>									
OMass	34.7	9.0	-	-	43.7	3.3%	PRI	30.9%	Small molecule
<u>Life Science Investment</u>									
Gyroscope milestone payments	49.8	-	-	3.9	53.7	4.0%	DCF	0.0%	Gene therapy
CRT Pioneer Fund	28.2	-	-	-	28.2	2.1%	Adj Third Party	64.1%	Oncology
CEGX	17.3	-	-	1.4	18.7	1.4%	PRI	5.5%	Epigenetics
Forcefield	2.5	-	-	-	2.5	0.2%	Cost	82.0%	Biologics
Adaptimmune	2.2	-	(0.4)	0.1	1.9	0.1%	Quoted	0.8%	Cell therapy
Tier 1 Bio	-	0.8	-	-	0.8	0.1%	Cost	4.9%	Biologics
Total Life Science Portfolio	524.9	38.0	(30.1)	29.0	561.8	42.2%			

³ Primary input to fair value

⁴ The basis of valuation is stated to be "Cost", this means the primary input to fair value is capital invested (cost) which is then calibrated in accordance with our Valuation Policy

⁵ The basis of valuation is stated to be "PRI", this means the primary input to fair value is price of recent investment which is then calibrated in accordance with our Valuation Policy

Enquiries

Syncona Ltd

Annabel Clark / Natalie Garland-Collins / Fergus Witt
Tel: +44 (0) 20 3981 7940

FTI Consulting

Ben Atwell / Julia Bradshaw / Tim Stamper
Tel: +44 (0) 20 3727 1000

About Syncona

Syncona's purpose is to invest to extend and enhance human life. We do this by founding and building 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 for the benefit of all our stakeholders. We focus on developing treatments for patients by working in close partnership with world-class academic founders and management teams. Our balance sheet underpins our strategy enabling us to take a long-term view as we look to improve the lives of patients with no or poor treatment options, build sustainable life science companies and deliver strong risk-adjusted returns to shareholders.

Forward-looking statements - this announcement contains certain forward-looking statements with respect to the portfolio of investments of Syncona Limited. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. In particular, many companies in the Syncona Limited portfolio are conducting scientific research and clinical trials where the outcome is inherently uncertain and there is significant risk of negative results or adverse events arising. In addition, many companies in the Syncona Limited portfolio have yet to commercialise a product and their ability to do so may be affected by operational, commercial and other risks.