Syncona Limited

Interim Results for the six months ended 30 September 2023

Rigorous capital allocation focus and active portfolio management to deliver key value inflection points over the next 12-36 months

Syncona Ltd ("Syncona" or the "Company"), a leading life science investor, focused on creating, building and scaling a portfolio of global leaders in life science, today announces its Interim Results for the six months ended 30 September 2023.

Chris Hollowood, CEO of Syncona Investment Management Limited, said: "Against challenging market conditions, which impact cost and access to capital, we continue to focus our capital allocation on clinical opportunities across the portfolio, with 71% of portfolio company value now in clinical stage assets. In parallel, we are proactively managing the portfolio to ensure that our companies with clinical data have a path forward to reach late-stage clinical development, where we believe significant value can be accessed.

We will continue to prioritise capital allocation towards our most promising companies and assets, which we believe is the optimal approach to maximising value across the portfolio and delivering strong risk-adjusted returns to shareholders. There are six value inflection points over the next 12-36 months that have the potential to drive significant value and Syncona is funded to support its portfolio companies in delivering these key milestones.

Looking forward, the team continue to see a rich pipeline of innovative science around which we can build the next generation of biotech leaders, deliver transformational impact for patients, provide sustainable growth and execute on our long-term strategy. We are well positioned to emerge from the current environment and deliver strong-risk-adjusted returns for shareholders and demonstrate progress towards our goal to scale to £5 billion of net assets by 2032."

Financial performance

- Net assets of £1,201.3 million (31 March 2023: £1,254.7 million), 178.6p[1] per share (31 March 2023: 186.5p per share), a NAV return of (4.2)%[2] in the period (30 September 2022: NAV return of 4.3%)
- Life science portfolio valued at £620.9 million (31 March 2023: £604.6 million), a return of (7.0)%[3] in the period (30 September 2022: 3.9% return)
- Performance of the life science portfolio primarily driven by the £56.4 million[4] write off of the "Gyroscope milestone payments" following Novartis' decision to discontinue the development of Gyroscope's lead programme. This valuation impact was partially offset by:
    - £12.4 million gain from an uplift in Autolus Therapeutics' (Autolus) valuation, due to a 26.6% increase in its share price in the period
    - £7.2 million gain from positive foreign exchange movements across the life science portfolio
- Capital pool[5] of £580.4 million at 30 September 2023 (31 March 2023: £650.1 million); £58.6 million deployed in the period

Maturing portfolio with 71% of value in the strategic life science portfolio in clinical-stage companies

- Maturing portfolio of 13 companies, with seven clinical stage companies of which two are late-stage
- Continued execution across the portfolio as companies deliver against their clinical, financing and operational milestones with four financings and four clinical data read-outs in the period, with seven further read-outs post-period end

[1] Fully diluted, please refer to note 9 in the financial statements. Alternative performance measure, please refer to glossary
[2] Alternative performance measure, please refer to glossary
[3] See footnote 2
[4] Increase from £54.5 million impact as at June 2023 valuation due to the impact of foreign exchange during the period
[5] See glossary for definition

Continued focus on rigorous capital allocation to maximise value

- Focus on allocating capital towards clinical assets with the potential to reach late-stage development; over 80% of the £58.6 million of capital deployed in the period invested into clinical assets and assets approaching clinical entry in the near-term
- Syncona continues to anticipate that capital deployment into the portfolio and pipeline at financial year end will be £150-200 million, in line with prior guidance
- The Company is funded to deliver expected milestones and value inflection points in the portfolio that it believes have the potential to drive access to capital and NAV growth
- As part of Syncona's focus on and review of capital allocation, the Board took the decision to launch a share buyback programme of up to £40 million during the period; this is excluded from the £150-200 million capital deployment guidance in the year
- The Board's view is that the share price represents a compelling and unique investment opportunity given the potential value within Syncona's portfolio

Active management of the portfolio

- Working with companies on execution of key milestones, rationalising budgets, reviewing and prioritising pre-clinical pipelines, and widening financing syndicates whilst exploring creative sources of finance, including realisations
- Refining investment focus in cell therapy (focus on first- and best-in-class assets) and gene therapy (focus on products that can reach late-stage development in the near and medium term) to maximise value

Investing through the cycle to deliver sustainable risk-adjusted returns

- Capital pool and active portfolio management means Syncona is in a differentiated position to add new companies to the portfolio
- Team focus is on the next frontier of science, matching the right target with the best modality
- Assessing a number of exciting opportunities across the market where companies with clinical assets are attractively priced in the current market conditions

Evolution of team to deliver strategy and long-term targets

- Expansion of senior team with Roel Bulthuis joining as Managing Partner and Head of Investments (over 20 years of life science venture capital, business development and investment banking experience)
- The Executive Partner group has been established to support portfolio companies as they scale; notably John Tsai (previously Chief Medical Officer at Novartis) joined as Executive Partner during the period, bringing significant clinical, pharmaceutical and leadership experience
- Expanded senior team and operating model is established and fully operational; this evolution and expansion will further support the delivery of the Company's ambitious plans to deliver NAV growth
- As part of this evolution, Martin Murphy is stepping down as Chair of Syncona Investment Management Limited (SIML) and Chris Hollowood has been appointed Interim Chair, in addition to his role as Chief Executive Officer (CEO) of SIML
- Martin will continue to represent Syncona on the Boards of Autolus, Anaveon and Clade Therapeutics (Clade)

Outlook

<u>Portfolio milestones and potential value inflection points</u>

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

Strategic life science portfolio	Next expected milestones with the potential to enable capital access	Syncona view of potential value inflection points across the portfolio
Autolus	H2 CY2023 - Further long-term follow up data from its pivotal study in obe-cel in adult r/r B-ALL - BLA submission for obe-cel to the FDA H1 CY2024 - Initiate a Phase I study of obe-cel in refractory systemic lupus erythematosus (SLE), extending the use of obe-cel into autoimmune diseases H2 CY2024 - Provide initial data from the Phase I trial in SLE CY2024 - Commence the US commercial launch of obe-cel, dependent on FDA regulatory approval	CY2025 - Traction following US commercial launch of obe-cel, dependent on FDA regulatory approval
Achilles	Q1 CY2024 - Provide further data from its Phase I/IIa clinical trial in NSCLC - Provide further data from its Phase I/IIa clinical trial in melanoma	
Quell	H2 CY2023 - Complete dosing of the safety cohort in its Phase I/II trial in liver transplantation	CY2025 - Proof of concept data from its Phase I/II trial in liver transplantation
Beacon	H1 CY2024 - Publish 12-month data from its Phase II trial in XLRP - Initiate its Phase II/III trial in XLRP	H2 CY2024 - Present 24-month data from its Phase II trial in XLRP
Freeline	CY2024 - Release of additional data from its Phase I/II trial in Gaucher disease	CY2024 - Release of additional data from its Phase I/II trial in Gaucher disease
SwanBio	H1 CY2024 - Initial safety readout in higher dose cohort from its Phase I/II trial in AMN	
Resolution	H2 CY2024 - Enter the clinic in a Phase I/II trial in liver cirrhosis	CY2026 - Completion of Phase I/II trial in liver cirrhosis
Anaveon	H2 CY2024 - Publish initial data from its Phase I/II trial of ANV419 in metastatic melanoma - Initiate a Phase I/II trial of ANV600, the company's next generation compound	CY2026 - Clinical data readout from its Phase I/II trial of its next generation asset ANV600

Enquiries

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About Syncona

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

Our strategy is to create, build and scale companies around exceptional science to create a diversified portfolio of 20-25 globally leading life science businesses, across development stage, modality and therapeutic areas, for the benefit of all our stakeholders. We focus on developing treatments for patients by working in close partnership with world-class academic founders and management teams. Our balance sheet underpins our strategy enabling us to take a long-term view as we look to improve the lives of patients with no or poor treatment options, build sustainable life science companies and deliver strong risk-adjusted returns to shareholders.

This announcement includes information that is or may be inside information. The person responsible for arranging for the release of this announcement on behalf of Syncona Ltd is Alasdair Moodie, General Counsel, SIML.

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.

Syncona Limited seeks to achieve returns over the long term. Investors should seek to ensure they understand the risks and opportunities of an investment in Syncona Limited, including the information in our published documentation, before investing.

Life science portfolio valuations

Company	31 Mar 2023	Net investment in the period	Valuation change	FX movement	30 Sep 2023	% of Group NAV	Valuation basis[6], [7,8]	Fully diluted ownership stake	Focus area
	(£m)	(£m)	(£m)	(£m)	(£m)				
Strategic portfolio companies									
Late-stage clinical									
Beacon	60.0	15.0	-	-	75.0	6.2%	PRI	67.8%	Gene therapy
Autolus	50.0	-	12.4	1.6	64.0	5.3%	Quoted	17.5%	Cell therapy
Clinical									
Quell	86.7	-	-	1.0	87.7	7.3%	PRI	35.0%	Cell therapy

[6] Primary input to fair value
[7] 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
[8] 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

SwanBio	58.2	17.5	0.5	1.2	77.4	6.4%	Adjusted cost	80.0%	Gene therapy
Anaveon	64.2	-	-	0.7	64.9	5.4%	PRI	37.9%	Biologics
Freeline	14.1	-	(5.4)	0.1	8.8	0.7%	Quoted	49.7%	Gene therapy
Achilles	8.6	-	(0.4)	0.1	8.3	0.7%	Quoted	24.5%	Cell therapy
Pre-clinical									
OMass	43.7	-	-	-	43.7	3.6%	PRI	28.9%	Small molecules
Resolution	23.0	14.9	-	-	37.9	3.2%	Cost	78.8%	Cell therapy
Purespring	35.1	-	-	-	35.1	2.9%	Cost	84.0%	Gene therapy
Clade	24.3	-	-	0.3	24.6	2.1%	Cost	22.3%	Cell therapy
Kesmalea	4.0	8.0	-	-	12.0	1.0%	Cost	71.8%	Small molecules
Mosaic	7.3	-	-	-	7.3	0.6%	Cost	52.4%	Small molecules
Portfolio milestones and deferred consideration									
Beacon deferred consideration	15.9	-	(1.9)	-	14.0	1.2%	DCF	-	Gene therapy
Neogene milestone payment	0.0	-	2.1	0.1	2.2	0.2%	DCF	-	Cell therapy
Gyroscope milestone payments[9]	54.5	-	(56.4)	1.9	0.0	0.0%	Written off	-	Gene therapy
Syncona investments									
CRT Pioneer Fund	32.8	-[10]	0.1	-	32.9	2.7%	Adj Third Party	64.1%	Oncology
Biomodal[11]	18.5	-	-	0.2	18.7	1.6%	PRI	5.5%	Epigenetics
Forcefield	2.5	3.0	-	-	5.5	0.5%	Cost	82.0%	Biologics
Adaptimmune	1.2	-	(0.3)	-	0.9	0.1%	Quoted	0.8%	Cell therapy

[9] Syncona's risk-adjusted and discounted valuation of the milestone payments from the sale of Gyroscope Therapeutics

[10] Net of £(0.2) million in distributions and £0.2 million in subscriptions

[11] Formerly CEGX

Total Life Science Portfolio	**604.6**	**58.4[12]**	**(49.3)**	**7.2**	**620.9**	**51.7%**			
Capital pool	**650.1**	**(79.4)**	**10.4**	**(0.7)**	**580.4**	**48.3%**			
TOTAL	**1,254.7**				**1,201.3**	**100%**			

Business review

During the period, the Syncona team has been focused on allocating capital to clinical opportunities which are most likely to reach late-stage development whilst actively managing the portfolio to drive future NAV growth. The macroeconomic environment has been and remains challenging for biotech companies both in terms of the cost of and access to capital in the public and private markets. We have, therefore, worked closely with our portfolio companies to rationalise pipelines, streamline budgets and seek alternate sources of capital. Our capital pool is of critical strategic importance to support our portfolio companies in navigating these market conditions and also provides us with a strong platform to invest in new companies from the new frontier of science that will lead the industry over the next decade and drive sustainable growth.

Capital allocation focused on clinical opportunities and new frontier of investment opportunities

We have continued to focus on allocating capital towards clinical assets with the potential to reach late-stage development and deliver strong risk-adjusted returns, driving optionality within the portfolio in a capital constrained environment. Looking across our capital deployment in the period, of the £58.6 million invested, more than 80% has been into clinical assets and assets approaching clinical entry in the near-term.

We are proud of our leadership in cell and gene therapy over the last 10 years. As that part of the portfolio matures, we are focusing it to drive value. In cell therapy, we are focusing capital allocation on companies where we have the potential to be first-in-class and best-in-class. In gene therapy, we are focusing capital allocation on companies with differentiated products that can reach late-stage development in the near term. These actions allow us to access the best risk-adjusted returns whilst allowing us to pursue the best frontier science which will lead the industry over the next decade. This approach naturally drives modality and therapeutic area diversification across the portfolio.

Ongoing proactive and decisive action re-focusing the portfolio to maximise value

Allied with our capital allocation focus, we are following a rigorous framework outlined earlier in the year to actively manage our companies to execute key milestones and future funding pathways:

- Working with late-stage clinical companies on execution of key clinical and regulatory milestones to accelerate their progress towards product where possible
- Working with companies across the clinical and pre-clinical portfolio to create financing optionality to deliver key milestones
- Working with companies to reduce cash burn, focus capital on their highest potential assets whilst looking at all financing and strategic options
- Focusing on funding ‘first- and best-in-class’ therapies in cell therapy and assets that can reach late-stage in the near and medium term in gene therapy
- Focusing on bringing in aligned co-investors to new portfolio companies at an early stage to provide broader financial scale across the portfolio, diversify risk, allow a higher number of companies to be created and therefore provide potential for a broader range of growth opportunities in the future

We believe these actions will enable us to maximise value for our shareholders and enable our portfolio companies to deliver on their ambitions to take products to market and treatments to patients.

Launch of share buyback following review of capital allocation

[12] £58.4m net investment in the period; £58.6m total capital deployed in the period is gross of £0.2m in distributions from the CRT Pioneer Fund

As part of Syncona's focus on and review of capital allocation, the Board took the decision to launch a share buyback programme of up to £40 million during the period. The Board's view is that the share price represents a compelling and unique investment opportunity given the potential value within Syncona's portfolio. The £40 million of capital allocated to the buyback strikes the right balance between continuing to focus capital allocation on the maturing portfolio and a share buyback given the material discount to NAV at which the shares traded at the time.

Syncona's strategy is focused on delivering value for shareholders and its core focus remains on allocating capital to portfolio companies' assets with the potential to drive attractive risk-adjusted returns, reach late-stage clinical development and deliver near-term growth.

Syncona's capital pool provides the opportunity to build the companies of tomorrow

Our capital pool and continued portfolio focus means we are in a differentiated position to create and invest in the next wave of frontier science and build the biotech companies that will lead the industry in the future. We see a number of opportunities across a range of therapeutic areas to create companies around early-stage science. We are also seeing a number of exciting opportunities across the current market where companies with clinical assets are attractively priced as we look to expand our portfolio, in line with our target to scale to £5 billion of NAV by 2032.

Continued evolution of team to deliver strategy and long-term targets

Over the last year, the senior investment team has been expanded, including welcoming Roel Bulthuis as Managing Partner and Head of Investments of SIML. Roel joined in April 2023 and brings over 20 years of life science venture capital, business development and investment banking experience. In addition to this we have also established the Executive Partner group to working alongside the investment team to support our portfolio companies as they progress through the development pathway and it is operating well:

- John Tsai (previously Chief Medical Officer at Novartis) joined as Executive Partner in May 2023 bringing significant clinical, pharmaceutical and leadership experience
- Lisa Bright (senior commercial leader with over 30 years' experience in biopharma) has been working to support the new Resolution Therapeutics (Resolution) CEO Dr Amir Hefni as the company drives towards clinical entry
- Ken Galbraith (previously CEO and Chair at multiple biotechs) re-joined as an Executive Partner, bringing significant operational, financing and investment experience

We are delighted with how the expanded senior team and operating model has been embedded and the impact our key hires have had, both within Syncona and across the wider portfolio. With our new structure and team operating well, Martin sees this juncture as the natural time to step down after 11 years with the business, confident the Company is well positioned to deliver growth despite the challenging markets. Martin co-founded Syncona with the Wellcome Trust in 2012 and since then we have worked closely together, and we both feel immensely proud of what has been achieved. Syncona has made a significant contribution to transforming the life science ecosystem here in the UK, deploying £1.1 billion across 22 companies, taking one product to market, and three products to pivotal trials. I will hold the role of Interim Chair alongside my existing role of CEO of SIML and Martin will continue to stay on the Boards of Autolus, Anaveon and Clade.

Looking forward

We have taken proactive action across our portfolio to drive value against a challenging market backdrop for biotech, and we remain committed to delivering our long-term strategy to create, build and scale a portfolio of 20-25 leading life science companies and organically grow net assets to £5 billion by 2032.

We are on track to deliver on our 10-year targets:

- Three new companies created or added to the portfolio per year
- Three-five companies to late-stage development where we are significant shareholders
- Building a portfolio of 20-25 life science companies

In this current financial year, we expect the composition of the three new companies added to the portfolio to be made up of three significant transactions including opportunities based on exciting early-stage science from universities, strategic opportunities within our portfolio and clinical stage opportunities.

The opportunity for value creation in our portfolio and pipeline is compelling. Across our evolved and maturing portfolio, there are 15 expected milestones across the portfolio over the next 12 months which have the potential to enable capital access and six key value inflection points which have the potential drive NAV growth over the next 12-36 months.

These milestones are not without risk, and we recognise that we may have to take difficult decisions to maximise value for shareholders across the portfolio. However, we believe we are taking a disciplined approach and have a strong platform and a unique opportunity to emerge from the current environment with a portfolio and team that will drive strong, sustainable, risk-adjusted returns for our shareholders.

Chris Hollowood, CEO of Syncona Investment Management Limited, 15 November 2023

Life science portfolio review

Our life science portfolio was valued at £620.9 million at 30 September 2023 (31 March 2023: £604.6 million), delivering a (7.0)% return in the period (30 September 2022: 3.9% return).

Our strategic portfolio of 13 companies is diversified across modality and therapeutic area, with seven companies at the clinical stage and the remainder of the portfolio at pre-clinical stage, with one company (Resolution) expected to enter the clinic in the next 12 months. Alongside the potential milestone payments or deferred consideration from potential products, the life science portfolio also includes investments, the majority of which are non-core where we typically do not hold Board seats or engage actively but still provide optionality to deliver returns for our shareholders.

Framework for enabling capital access and NAV growth across the portfolio

In this set of Interim Results, we have provided a framework to give shareholders more clarity on which milestones and at what stage of the development cycle we anticipate our companies will be able to access capital and drive NAV growth in the current market environment. The categories are summarised below, and our portfolio companies are mapped against these categories.

Companies where delivery against milestones has the potential to drive access to capital:

- Operational build
    - Clearly defined strategy and business plan
    - Leading management team established
- Emerging efficacy data
    - Pre-clinical companies, with clinical strategy defined
    - Clinical companies with initial efficacy data from Phase I/II

Companies where delivery against milestones have the potential to deliver NAV uplifts:

- Definitive data
    - Significant clinical data shows path to marketed product
    - Moving to pivotal trial and building out commercial infrastructure
- On the market
    - Commercialising product
    - Revenue streams

Specific portfolio company milestones and value inflection points are not without risk and their impact will be affected by various factors including the market environment at the time of their delivery.

Late-stage clinical companies – 11.5% of NAV

Beacon (6.2% of NAV, 67.8% shareholding) – Moving towards being on the market

Syncona View
Beacon Therapeutics (Beacon) is close to entering a pivotal Phase II/III trial where it has the potential to unlock significant value in a late-stage asset, aligning with Syncona's focus on driving near-term value for shareholders. Beacon represents a significant opportunity for Syncona to apply its domain knowledge in retinal gene therapy to a late-stage clinical asset in X-linked retinitis pigmentosa (XLRP), where Syncona already has prior expertise from its ownership of Nightstar Therapeutics (Nightstar). Syncona has leveraged

its retinal gene therapy network to establish a world class leadership team, with significant gene therapy and ophthalmic experience, as well as re-setting the company's regulatory strategy and providing operational support. We believe that the potential of Beacon is exciting and has the potential to drive near-term value for our shareholders, with this investment underlining the opportunities available for Syncona to access attractively priced clinical-stage opportunities in the current market environment.

- **Company focus:** Beacon is focused on the development and commercialisation of AAV-based gene therapies for the treatment of rare and debilitating diseases with an initial focus on inherited ophthalmic diseases.
- **Financing stage:** Beacon raised £96m in a Series A financing in March 2023.
- **Lead programme:** Beacon is progressing its lead candidate, AGTC-501, in XLRP through a Phase II trial. There are no approved treatments for XLRP, and the programme has orphan drug designations from both the FDA and the European Commission, with 12-month data from the trial expected to be presented in H1 CY2024. AGTC-501 has a strong body of clinical evidence having demonstrated meaningful efficacy and a good safety profile in the Phase I/II HORIZON trial. Syncona is working closely alongside the company as it develops its regulatory strategy both in the US and EU, with a Phase II/III study expected to commence in H1 CY2024.
- **Development update:** Syncona continues to support the company in building out its operations and developing its manufacturing strategy.
- **Pipeline programmes:** Beacon has two preclinical programmes in cone rod dystrophy (CRD) and dry age-related macular degeneration (AMD).
- **Potential value inflection point:** 24-month data expected from Phase II trial in XLRP in H2 CY2024.

Autolus (5.3% of NAV, 17.5% shareholding) – Moving towards being on the market

Syncona view
Autolus has reported meaningful and increasingly mature clinical data to date, underlining the potential of its lead therapy, obe-cel, as a drug which can deliver important and durable impact for patients with relapsed/refractory (r/r) adult acute lymphoblastic leukaemia (ALL), as well as an attractive safety profile compared to other existing CAR-T therapies in the r/r adult ALL setting. The company continues to expect to file its BLA with the FDA by the end of the year and has developed a strong platform to prepare for the commercial launch of obe-cel, a key milestone which has the potential to drive value for Syncona. The company also has a portfolio of other clinical programmes, including its expansion into autoimmune diseases through the expected initiation of a Phase I study of obe-cel in lupus erythematosus (SLE) in H1 CY2024, further supporting the strength of the company's technology. From a valuation perspective, Autolus' share price rose by 26.6% during the period, driving a £12.4 million increase in valuation.

- **Company focus:** Autolus is developing next generation programmed T cell therapies for the treatment of cancer with a clinical pipeline targeting haematological malignancies and solid tumours.
- **Financing stage:** Company is funded into CY2025.
- **Lead programme:** Obe-cel previously met its primary endpoint in the pivotal FELIX trial in December 2022, and the company announced further positive data updates in the period, underlining the strong safety profile of the drug with an increase in response rates. Data released in the period by other approved CAR-T therapies targeting adult ALL also further underlines obe-cel's strong safety profile compared to other treatments. Post-period end, the company published further data which will be presented at the American Society of Haematology (ASH) meeting in December 2023, which further supports the safety and durability profile of the drug. In addition to the longer-term follow up data expected to be presented at ASH, the company expects to file a BLA with the FDA by the end of the year.
- **Commercial update:** The company has made significant progress during the period in developing its manufacturing and commercial roll out capabilities. During the period the company opened its Nucleus facility in Stevenage, a 70,000 sq. foot advanced manufacturing facility which will support the commercial launch of obe-cel, with an initial capacity of up to 2,000 batches per year with room to expand if needed. The Nucleus is now fully operational and is the first of its kind in the UK, providing a specialist manufacturing capability for the supply of personalised cell therapy products. Autolus also announced that it had selected Cardinal Health as its U.S. Commercial Distribution Partner, enabling distribution capabilities required to commercialise a

CAR T-cell therapy in the US. These milestones will help to support obe-cel's launch, enabling Autolus to launch the product at a scale which serves global demand in r/r adult ALL.

- **Pipeline programmes:** Autolus continues to make progress in its broader pipeline, having announced data from AUTO1/22's Phase I study (CARPALL) in paediatric B-ALL in the period, and post-period end, published positive initial data from the trial of AUTO8, Autolus' next-generation product candidate for multiple myeloma. The company is also planning to initiate a Phase I study of obe-cel in refractory SLE in H1 CY2024, extending the use of obe-cel into autoimmune diseases. Syncona is supportive of the decision by the company to assess the development of obe-cel in autoimmune diseases, believing this represents an opportunity to broaden the commercial reach of the programme in an area where academic research[13] suggests CAR-T cell therapy may be effective.
- **People update:** Appointed Robert F. Dolski as Chief Financial Officer, who brings more than 20 years of experience as a life sciences financial executive driving the strategy, planning, execution, and financing of private and public biopharmaceutical companies. Robert Iannone was also appointed as a Non-Executive Director to Autolus' Board of Directors.
- **Potential value inflection point:** Traction following commercial launch of obe-cel in r/r adult ALL, dependent on FDA regulatory approval, in CY2025.

Clinical stage companies – 20.5% of NAV

Quell (7.3% of NAV, 35.0% shareholding) – Moving towards publishing emerging efficacy data

Syncona view
During the period a collaboration agreement between Quell Therapeutics (Quell) and AstraZeneca was announced, where Quell received $85 million upfront, predominantly comprising a cash payment alongside an equity investment, to develop, manufacture and commercialise autologous T-regulatory cell therapies for two autoimmune disease indications. This was a significant milestone which underlines the strength of Quell's broader pipeline and technology whilst strengthening its balance sheet, with the agreement not relating to Quell's lead programme in liver transplant. We continue to work closely alongside the company as it delivers against its operational and clinical milestones, with Quell expecting to complete the dosing in the initial cohort of its lead liver transplant study by the end of CY2023.

- **Company focus:** Developing engineered T-regulatory (Treg) cell therapies to treat a range of conditions such as solid organ transplant rejection, autoimmune and inflammatory diseases.
- **Financing stage:** Quell raised $156 million in a Series B financing in November 2021.
- **Clinical update:** Expects to complete the dosing of the safety cohort in its lead programme, QEL-001, by the end of CY2023.
- **Commercial update**: Quell entered into a collaboration, exclusive option and license agreement with AstraZeneca to develop, manufacture and commercialise autologous, engineered T-regulatory cell therapies for two autoimmune disease indications, providing excellent validation for Quell's technologies and capabilities. As part of the collaboration, Quell received $85 million upfront, comprising a predominant cash payment and an equity investment, with potential payments of over $2 billion contingent on successfully reaching development and commercial milestones, plus tiered royalties.
- **Potential value inflection point:** Proof of concept data from liver transplant study in CY2025.

SwanBio (6.4% of NAV, 80.0% shareholding) – Moving towards publishing emerging efficacy data

Syncona view
Syncona continues to believe that SwanBio Therapeutics' (SwanBio) lead programme in adrenomyeloneuropathy (AMN) has the potential to be a first-in-class approved therapy in an indication where there are currently no approved treatment options and no known cure. The initial safety data from the Phase I/II PROPEL clinical trial has been encouraging, and we look forward to seeing further data generated from the higher-dose cohort. Syncona continues to work closely alongside the company to develop its future financing strategy, having provided further capital during the period to enable the delivery of data from the higher-dose cohort of the programme.

[13] Research by Georg Schett and Andreas Mackenson at the University of Erlangen has suggested that CAR-T CD19 therapy may be effective in addressing SLE

- **Company focus:** SwanBio is developing AAV gene therapies to target inherited neurological disorders. Its initial drug development candidate, SBT101, is designed for the treatment of AMN, a genetic neuro-degenerative disease affecting the spine for which there are currently no approved treatments.
- **Financing stage:** $12.0 million (£9.4 million) of financing was committed by Syncona in June 2023 to support dosing of the first cohort of patients in the company's Phase I/II clinical trial of SBT101. Upon the completion of dosing of the first cohort and a positive safety update, Syncona committed an additional $10 million (£8.2 million) of financing to complete dosing of the higher-dose cohort of patients and enable the delivery of further data.
- **Clinical update:** The company completed dosing of its initial low-dose cohort. Following a review of the initial safety data readout in August an independent Data Safety Monitoring Board (DSMB) recommended progressing the study to the higher-dose cohort. The company has since dosed the first patient in the second cohort, with initial safety data expected in H1 CY2024.
- **People update:** Post-period end, the company announced the evolution of its leadership team with the appointments of Syncona Executive Partner John Tsai, MD, as Executive Chair and Christopher "Topher" Brooke as Chief Operating Officer. As part of the announced changes Tom Anderson has moved to the position of Strategic Adviser, maintaining his seat on the Board of Directors.

Anaveon (5.4% of NAV, 37.9% shareholding) – Moving towards publishing emerging efficacy data

Syncona view
Syncona continues to see clinical and operational progress at Anaveon as it looks to deliver high dose IL-2 to patients in a way which addresses safety, tolerability and durability issues seen elsewhere. Data released by the company continues to support the safety and tolerability profile of the company's lead ANV419 therapy. Syncona is also supportive of the company's pre-clinical ANV600 programme, which targets IL-2 to tumour fighting immune cells in the tumour microenvironment and which we believe may have the potential to demonstrate superior efficacy.

- **Company focus:** Developing a selective IL-2 receptor agonist, a type of protein that could enhance a patient's immune system to respond therapeutically to cancer.
- **Financing stage:** Raised CHF110 million (£90 million) in a Series B financing in December 2021.
- **Lead programme**: Post-period end, Anaveon presented positive safety data from its Phase I/II dose-finding study of ANV419 in solid tumours. One patient with advanced immunotherapy-resistant non-small cell lung cancer (NSCLC) was observed to have a durable response, whilst the study determined that one injection of ANV419 at the agreed Phase II dose level delivers more IL-2 exposure than a full cycle of an approved IL-2 therapy (high dose aldesleukin). Initial data from the Phase I/II study in melanoma is expected in H2 CY2024.
- **Pipeline programmes**: The company is planning for a clinical trial authorisation (CTA) submission for ANV600, a powerful, new, targeted therapeutic, in H1 CY2024. Post-period end, the company announced positive pre-clinical data for ANV600 at SITC.
- **Potential value inflection point:** Clinical data readout from its Phase I/II trial of its next generation asset ANV600 in CY2026.

Freeline (0.7% of NAV, 49.7% shareholding) – Moving towards publishing definitive data

Syncona view
Syncona believes that Freeline Therapeutics' (Freeline) lead programme in Gaucher disease has the potential to be a first- and best-in-class gene therapy for patients. Initial data released post-period end supports the safety and activity profile of the drug, in an area where there is a clear unmet need for better treatment options. The company's management team has made significant progress in rationalising Freeline's pipeline and operations to focus on the Gaucher programme, whilst ensuring continued execution in this programme.

Post-period end, Syncona submitted a non-binding proposal to the special committee of the Board of Freeline Therapeutics Holdings plc for a transaction to acquire the entire share capital not already owned by Syncona for an upfront cash payment of $5.00 per American Depositary Share, representing a premium of 20% over the volume weighted average price of $4.16 over the period since the release of Freeline's recent clinical data release on 4 October 2023 until close on 16 October 2023. Syncona will continue to keep the market updated as appropriate on the proposal.

- **Company focus:** Developing gene therapies for chronic debilitating diseases, with a lead programme in Gaucher disease.
- **Financing stage:** Listed on NASDAQ with cash runway to Q2 CY2024.
- **Clinical update:** Post-period end, Freeline reported initial safety, tolerability and enzyme activity data from the ongoing Phase I/II trial evaluating FLT201, the company's novel AAV gene therapy candidate in Gaucher disease. The data demonstrated a compelling safety profile and robust enzyme activity, supporting the potential of FLT201 to be a first- and best-in-class gene therapy for the condition. Following the data release, the company also dosed a third patient in the initial cohort.
- **Pipeline programmes:** During the period Freeline announced an additional pre-clinical programme in Parkinson's disease. This programme leverages technology from the company's Gaucher programme to develop a gene therapy candidate for a subset of Parkinson's disease patients with mutations in the GBA1 gene.
- **Regulatory update:** FLT201 awarded the Innovation Passport for the treatment of Gaucher disease type 1 under the Innovative Licensing and Access Pathway (ILAP) process by the U.K. Medicines and Healthcare products Regulatory Agency (MHRA).
- **Potential value inflection point:** Additional data from Phase I/II trial in Gaucher disease expected in CY2024.

Achilles (0.7% of NAV, 24.5% shareholding) – Moving towards publishing emerging efficacy data

Syncona view
Syncona continues to engage with Achilles Therapeutics (Achilles) as it progresses its lead programmes in advanced NSCLC and metastatic malignant melanoma. The company is well funded with a cash runway through CY2025, with Syncona looking to review the next data updates to demonstrate that robust manufacturing can translate into clinical efficacy for the company's products, particularly at higher dose levels.

- **Company focus:** Developing precision T cell therapies targeting clonal neoantigens to treat solid tumours.
- **Financing stage:** Listed on NASDAQ with cash runway through CY2025.
- **Clinical update:** Achilles is on track to dose 15-20 patients at the higher dose level with its clonal neoantigen reactive T cells (cNeT) therapy from the ongoing Phase I/IIa trials in NSCLC and in metastatic malignant melanoma by the end of CY2023, and expects to release clinical and translational science data in Q1 CY2024, with additional data expected mid-CY2024.
- **Pipeline programmes:** Achilles introduced and presented data during the period on the neoRankerTM tool, the company's new immunogenicity prediction module of the AI-Powered PELEUS™ bioinformatics platform that uniquely identifies the most potent clonal neoantigens. The new AI module demonstrated potential superiority to commonly used AI tools (BigMHC) in identifying and prioritising targets for personalised antigen approaches, supporting potential implementation into the company's ongoing TIL-based clinical programmes, and into other modalities including clonal neoantigen cancer vaccines.

Pre-clinical stage companies – 13.4% of NAV

OMass (3.6% of NAV, 28.9% shareholding) – Completed operational build

- **Company focus:** Developing small molecule drugs to treat rare diseases and immunological conditions.
- **Financing stage:** Raised an additional £10 million investment from British Patient Capital in the period, extending the company's Series B financing to a total raise of £85.5 million.
- **People update:** Jim Geraghty joined as Chairman of its Board of Directors, bringing over 35 years of strategic experience including more than 25 years as a senior executive at biotechnology companies developing and commercialising innovative therapies. Further hires have also been made during the period across OMass Therapeutics' (OMass) development team, which will help to enable the company to scale as it progresses towards the clinic and deliver on its upcoming priorities.

Resolution (3.2% of NAV, 78.8% shareholding) – Moving towards publishing definitive data

- **Company focus:** Resolution is developing macrophage cell therapies to treat diseases characterised by life-threatening inflammatory organ damage, with a focus on liver cirrhosis.

- **Financing stage:** Raised a further £10.0 million from Syncona in an extension of its £26.6 million Series A financing in April 2022.
- **Clinical update:** Post-period end, data was published from an academic clinical study (MATCH II) which provided proof-of-concept that treatment of patients with a macrophage cell therapy was well-tolerated, and helped to dramatically reduce liver associated complications, including death. The company is using the outputs of this trial to prepare its lead product RTX001, an engineered autologous macrophage cell therapy, for a Phase I/II clinical trial, expecting to file a clinical trial application (CTA) in H1 CY2024 and enter the clinic in H2 CY2024.
- **People update:** Resolution strengthened its leadership team in the period with several appointments, including of Dr Amir Hefni as CEO, who brings almost 20 years' experience in drug discovery and development leadership in the biotechnology and pharmaceutical industry and joins Resolution from Novartis where he was the Head of Cell & Gene Therapy. Resolution also appointed Simon Ramsden as Chief Financial Officer, who brings broad corporate and commercial finance experience in the pharmaceutical and biotechnology industry, and Dr Clifford A. Brass, as Chief Medical Officer, who brings extensive clinical development experience having spent over 25 years working in the pharmaceutical industry, with a strong emphasis on advanced liver disease.
- **Potential value inflection point:** Completion of Phase I/II trial in liver cirrhosis in CY2026.

Purespring (2.9% of NAV, 84.0% shareholding) – Moving towards publishing emerging efficacy data

- **Company focus:** Purespring Therapeutics (Purespring) is developing gene therapies for the treatment of chronic renal diseases which are currently poorly served by existing treatments.
- **Financing stage:** Raised £45 million in a Series A financing in 2020.
- **Development update:** Continuing to develop its pre-clinical pipeline and proprietary platform.
- **People update:** Purespring appointed Sachin Kelkar as Chief Financial Officer, who brings over 25 years' experience as a finance and strategy executive and most recently he was Chief Financial Officer at biodesign startup, Geltor, where he built the finance and operations functions and raised significant venture financing. The company also appointed Fredrik Erlandson as Chief Medical Officer, an experienced developer of novel nephrology drugs who has worked in all phases of development, from target identification through to post-product launch Phase IV studies, and in medical affairs at both large pharma and biotech.

Clade (2.1% of NAV, 22.3% shareholding) – Moving towards publishing emerging efficacy data

- **Company focus:** Clade is developing scalable next-generation iPSC derived medicines.
- **Financing stage:** Raised $87 million in a Series A financing in August 2021.
- **Development update:** Acquired Gadeta, an international R&D company, expanding Clade's pipeline with the integration of pre-clinical cell therapy programs and broadening existing cellular platform technology to enhance the development of engineerable, off-the-shelf, scalable, and consistent stem-cell based medicines. The company continues to develop its pre-clinical pipeline, expanding to autoimmune indications alongside oncology, whilst building out its manufacturing footprint.

Kesmalea (1.0% of NAV, 71.8% shareholding) – Moving towards completing operational build

- **Company focus:** Developing a new generation of small molecule oral drugs addressing diseases through modulating protein homeostasis.
- **Development update:** The company progressed development of its platform technology and discovery programmes.
- **Financing stage:** Series A financing expanded during the period to £25 million (from previous £20 million), with a total Syncona commitment of £20 million.

Mosaic (0.6% of NAV, 52.4% shareholding) – Moving towards completing operational build

- **Company focus:** Oncology therapeutics company focusing on drug development against genetically informed targets.
- **Financing stage:** £22.5 million Series A financing led by Syncona with a £16.5 million commitment.
- **Platform capabilities:** Mosaic Therapeutics' (Mosaic) technology platform uses artificial intelligence and machine learning (AI/ML) to enable efficient data analysis alongside the in vitro screening of targets. This helps to guide Mosaic's approach to target validation, working

alongside statistical models to quickly and effectively analyse large data sets and maintain a deep understanding of the interaction between biomarkers and drug targets.

Portfolio milestones and deferred consideration – 1.4% of NAV

During the period, Novartis informed Syncona that it had taken the decision to discontinue the development of GT005 (previously the lead asset at Gyroscope Holdings Limited) in Geographic Atrophy (GA) secondary to dry AMD, which it had been responsible for progressing since acquiring Gyroscope in February 2022. The decision was based on a recommendation from an Independent Data Monitoring Committee following an overall benefit risk assessment of available data from the programme, which concluded that overall data from the lead Phase II HORIZON study did not support continuation of GT005. Syncona had been eligible for a series of milestone payments in the event of the successful clinical development and commercialisation of the programme, with these being valued on a risk adjusted basis at £56.4 million[14]. The decision taken by Novartis to stop development of GT005 therefore resulted in this valuation being written off.

Syncona also currently has rights to potential milestone payments related to the sale of Neogene to AstraZeneca. Alongside these, as part of Syncona's acquisition of AGTC, the company has the potential to benefit from any future commercialisation of Beacon's lead asset AGTC-501 via a "deferred consideration" which provides the right to a mid-single digit percentage of future income from sales and licensing. Together, these potential milestones and deferred consideration are valued on a risk adjusted discounted cash flow basis at £16.2 million.

Syncona investments – 4.9% of NAV

Syncona has £58.0 million of value in its investments, typically where we do not hold Board seats or manage the investment actively alongside executive teams. Our assets held within our investments are CRT Pioneer Fund, Biomodal (formerly Cambridge Epigenetix), and Adaptimmune.

Forcefield Therapeutics is included as a Syncona investment but has launched its Series A financing, aligning it with our portfolio model approach. Syncona Executive Partner, John Tsai, was appointed as CEO of the company during the period. John will bring his experience driving medicines through the clinic to regulatory approval to bear on the company as it looks to pioneer the use of cardioprotective proteins to treat heart attacks.

Finance review

We take a robust and prudent approach to valuation, managing our capital pool and our costs with a continued focus on optimising returns and driving growth for shareholders.

NAV Performance

At 30 September 2023, Syncona has net assets of £1,201.3 million (178.6p per share), a NAV return of (4.2)% in the six months with performance primarily driven by Novartis' decision to discontinue development of Gyroscope's lead asset GT005. This has resulted in a negative £(56.4) million valuation impact, with this being partially offset by positive foreign exchange movements as well as the share price performance of Autolus.

Valuation approach

At the period end, our life science portfolio comprised listed holdings (13%), private companies either valued at Price of Recent Investment (PRI) (47%), or on the basis of capital invested (Calibrated Cost) (32%). In addition, potential milestone and deferred consideration payments relating to Neogene and Beacon are valued on a risk adjusted discounted cash flow basis in line with our Valuation Policy and together represent 3% of the portfolio[15].

Given the continued challenging macro environment and its ongoing impact on the valuations for early-stage companies, the Syncona team is committed to rigorously reviewing the robustness of our private company valuations. Syncona's companies across the pre-clinical and clinical portfolio continue to operate

[14] See footnote 4
[15] Additional 5% of value within the life science portfolio is the CRT Pioneer Fund which is valued based on an adjusted third party valuation

in a challenging market, with sustained inflation and heightened interest rates impacting the cost and access to capital in the sector as well as public and private valuations. These companies have a number of key milestones ahead which will be key to determining their future financing strategies. Our approach to valuation includes taking inputs from the investment team, with a focus on delivery against upcoming milestones as well as taking into account any developments during the period which may have impacted the investment theses of individual companies. We will continue to review our company valuations on a quarterly basis alongside market data as the macroeconomic environment evolves, as well as working alongside our external valuation adviser to determine the robustness of our valuations.

Rigorous approach to capital allocation

Syncona's core focus remains on allocating capital to portfolio companies' assets with the potential to drive attractive risk-adjusted returns, reach late-stage development and deliver near-term growth. During the period Syncona has been resolutely focused on ensuring capital is allocated to assets which have the potential to drive near-term returns for shareholders, whilst maintaining investment in new and early-stage opportunities in a capital efficient manner creating optionality within the portfolio in a capital constrained environment. The Syncona Limited Board also made the decision to launch a share buyback of up to £40 million, believing that the share price represented a compelling and unique investment opportunity. The Board believes that the capital allocated to the buyback strikes the right balance between continuing to focus capital allocation on our maturing portfolio and a share buyback given the material discount to NAV at which the shares traded at the time. As part of this programme, shares valued at £127,000[16] were bought back in the period, at an aggregate 35% discount to NAV, Since the period end a further £4.7 million of shares have been bought back at an aggregate discount of 30%. Together these buy backs have resulted in a 0.2% accretion to NAV per share[17].

We continue to anticipate that deployment into the portfolio and pipeline at financial year end will be £150-200 million, in line with prior guidance. This excludes the £40.0 million of capital allocated to the share buyback, which will not impact our investment into clinical stage assets in the next 24 months. Our capital pool of £580.4 million continues to be central to Syncona's strategy of building leading life science companies, providing it with the ability to support its portfolio companies over the long term as well as the capacity to invest at scale in exciting investment opportunities across development stage. We continue to aim to maintain up to three years of funding runway but in markets where this is challenging, we will ensure that we are funded to deliver milestones that have the potential to deliver capital access and key value inflection points which have the potential to deliver NAV growth. If investment opportunities present themselves to deliver significant NAV growth, we will also hold less than three years of funding runway on our balance sheet. As previously announced in our Capital Returns Policy, if realisations from the portfolio take us significantly above three years financing runway, the Board would look to return the excess cash to shareholders. In doing so they would consider all forms of distribution mechanisms for capital returns, taking into account various factors including the market conditions at the time.

Capital pool management

The mandate for our capital is focused on liquidity and capital preservation, with between 12 and 24 months of funding being kept in cash and Treasury Bills to cover near-term liquidity. In order to manage inflationary risk, longer term capital was allocated to a number of low volatility, highly liquid, multi asset and credit funds or mandates, managed by Kempen, Schroders and M&G with portfolio mandates to deliver a core CPI (consumer price index) return over the mid-term.

Capital requirements are formally reviewed each quarter and following the recent review, in order to maintain our near-term liquidity requirements, post-period end we took the decision to sell our position in the Schroder Life Diversified Growth Fund and re-deploy the capital into short-dated treasuries. We will continue to monitor asset allocation within the capital pool based on our capital requirements, and market conditions with a focus on balancing inflationary risk with a core strategy of capital preservation and liquidity access. The overall return across our capital pool during the period was 1.3%.

Gross Capital Pool allocation

[16] As of 30 September 2023, 110,000 shares (value of £127,000) were in the process of being purchased by the Company and therefore not available for trade. These shares were withdrawn and held as Treasury Shares on 2 October 2023 once the transaction settled

[17] Figures taken as of 15 November 2023

	£m	% of Gross Capital Pool[18]	% of NAV
Cash[19]	81.2	14	7
T-Bills	163.3	28	14
Multi-Asset Funds	201.2	35	17
Credit Funds	106.0	18	9
Legacy private equity funds	31.1	5	3

Capital pool funds

Fund	Strategy	£m	% of NAV
M&G senior asset backed credit	Daily liquidity bonds with current weighted average credit rating of AAA+	42.3	4
M&G total return credit	Daily liquidity bonds with current weighted average credit rating of BBB+	63.7	5
Schroder Diversified Growth Fund	Daily liquidity multi asset fund	97.6	8
Kempen	Daily liquidity - Bespoke mandate with majority held in UK government bonds	103.6	9

Foreign exchange impact

We hold 19.2% of our capital pool in US dollar linked funds and assets to provide a natural hedge against expected short-term US dollar cashflows. During the period fluctuations in foreign currencies resulted in a net £(0.7) million valuation impact within the capital pool.

Supplementary information

Our track record

- £1,141.7 million deployed in life science portfolio since 2012
- 20.3% IRR and 1.4 multiple on cost across whole portfolio[20]

Company	Cost (£m)	Value (£m)	Multiple	IRR
Existing portfolio companies				
Beacon (incl. Deferred Consideration)	75.0	89.0	1.2	31%
Quell	61.4	87.7	1.4	14%
SwanBio	123.2	77.4	0.6	-21%
Anaveon	39.9	64.9	1.6	20%
Autolus	147.0	64.0	0.4	-18%
OMass	35.4	43.7	1.2	8%
Resolution	37.9	37.9	1.0	0%
Purespring	35.1	35.1	1.0	0%
Clade	23.2	24.6	1.1	4%
Kesmalea	12.0	12.0	1.0	0%

[18] Gross capital excludes other assets/liabilities and cash held within the Investment Manager, SIML
[19] Not including £6.6 million in cash held by the Investment Manager, SIML
[20] Includes sales of Blue Earth, Nightstar, Gyroscope, and Neogene, and 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

Freeline	183.1	8.8	0.0	-56%
Achilles	60.7	8.3	0.1	-39%
Mosaic	7.3	7.3	1.0	0%
Realised companies				
Blue Earth	35.3	351.0	9.9	83%
Gyroscope	113.1	325.3	2.9	50%
Nightstar	56.4	255.7	4.5	71%
Neogene (incl. milestone value)	14.3	17.5	1.2	10%
Azeria	6.5	2.2	0.3	-50%
Investments				
Unrealised investments	52.9	57.9	1.1	2%
Realised investments	22.0	27.3	1.2	25%
Total	**1,141.7**	**1,597.7**	**1.4**	**20.3%**

Approach to disclosing portfolio company information

Our model is to create companies around world-leading science, bringing the commercial vision and strategy, building the team and infrastructure and providing scaled funding.

When we create or invest in a portfolio company, or when a portfolio company completes an external financing or other transaction, we may announce that transaction. Our decision on whether (and when) to announce a transaction depends on a number of factors including the commercial preferences of the portfolio company. We would make an announcement where we consider that a transaction is material to our shareholders' understanding of our portfolio, whether as a result of the amount of the commitment, any change in valuation or otherwise.

In addition, our portfolio companies are regularly progressing clinical trials. These trials represent both a significant opportunity and risk for each company, and may be material for Syncona.

In many cases, data from clinical trials is only available at the end of the trial. However, a number of our portfolio companies carry out open label trials, which 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. 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.

We would 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, unless we conclude it is not material to our shareholders' understanding of our portfolio. We would not generally expect to announce our assessment of interim clinical data in an ongoing trial, other than in the situation where the portfolio company announces interim clinical trial data, in which case we will generally issue a simultaneous announcement unless we believe the data is not materially different from previously announced data.

In all cases we will comply with our legal obligations, under the Market Abuse Regulation or otherwise, in determining what information to announce.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company for the second half of the financial year are substantially the same as those disclosed in the Report and Accounts for the year ended 31 March 2023: https://www.synconaltd.com/media/tbyarwqd/annual-report-2023-spreads.pdf

These include:

Portfolio company risks:
- Scientific theses fail
- Clinical development doesn't deliver a commercially viable product
- Portfolio concentration to platform technology
- Concentration risk and binary outcomes

Access to Capital:
- Not having capital to invest
- Private/public markets don't value or fund our companies when we wish to access them
- Capital pool losses or illiquidity

People risks:
- Reliance on small Syncona team
- Systems and controls failures
- Unable to build high-quality team/team culture
- Unable to execute business plans

Macroeconomic environment:
- Macroeconomic environment has a negative impact on sentiment for portfolio companies and Syncona business model

Going concern

The Condensed Consolidated 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 £1,201.3 million (30 September 2022: £1,365.9 million, 31 March 2023 £1,254.7 million) of which £558.2 million (30 September 2022: £739.0 million, 31 March 2023: £629.4 million) are readily realisable within three months in normal market conditions, and liabilities including uncalled commitments to underlying investments and funds amounting to £52.0 million (30 September 2022: £74.0 million, 31 March 2023: £89.2 million).

Given the Group's capital pool of £580.4 million (30 September 2022: £763.3 million, 31 March 2023: £650.1 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 Condensed Consolidated financial statements. The Directors also continue to monitor 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 Condensed Consolidated Financial Statements.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:
a) the condensed set of interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union;
b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The Directors of Syncona Limited 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

INDEPENDENT REVIEW REPORT TO SYNCONA LIMITED

Conclusion

We have been engaged by the Company to review the Condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares, the Condensed Consolidated Statement of Cash Flows and the related notes 1 to 14.

Based on our review, nothing has come to our attention that causes us to believe that the Condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the European Union adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the Condensed set of Financial Statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Recognised Auditor
St Peter Port, Guernsey
15 November 2023

UNAUDITED GROUP PORTFOLIO STATEMENT
As at 30 September 2023

	Fair value £'000 30 September 2023	% of Group NAV 30 September 2023	Fair value £'000 30 September 2022	% of Group NAV 30 September 2022	Fair value £'000 31 March 2023	% of Group NAV 31 March 2023
Life science portfolio						
Life science companies						
Quell Therapeutics Limited	87,683	7.3	95,761	7.0	86,703	6.9
SwanBio Therapeutics Limited	77,389	6.4	105,731	7.7	58,186	4.6
Beacon Therapeutics Holdings Limited	75,000	6.2	–	–	60,000	4.8
Anaveon AG	64,929	5.4	65,752	4.8	64,203	5.1
Autolus Therapeutics plc	64,037	5.3	37,411	2.7	50,004	4.0
OMass Therapeutics Limited	43,712	3.6	43,712	3.2	43,712	3.5
Resolution Therapeutics Limited	37,942	3.2	23,027	1.7	23,027	1.8
Purespring Therapeutics Limited	35,100	2.9	35,100	2.6	35,100	2.8
Clade Therapeutics Inc	24,592	2.0	13,429	1.0	24,317	1.9
Cambridge Epigenetix Limited	18,681	1.6	20,402	1.5	18,472	1.5
Freeline Therapeutics Holdings plc	8,773	0.7	23,548	1.7	14,117	1.1
Achilles Therapeutics plc	8,270	0.7	22,432	1.6	8,605	0.7
Neogene Therapeutics Inc	–	–	17,010	1.2	–	–
Companies of less than 1% of the NAV	25,713	2.3	8,720	0.8	15,050	1.2
Total life science companies	571,821	47.6	512,035	37.5	501,496	39.9
CRT Pioneer Fund	32,850	2.7	32,004	2.3	32,727	2.6
Deferred consideration	14,041	1.2	–	–	15,882	1.3
Milestone payments	2,198	0.2	58,576	4.3	54,516	4.3
Total life science portfolio [(1)]	620,910	51.7	602,615	44.1	604,621	48.1
Capital pool investments						
Multi asset funds	201,157	16.7	97,599	7.1	160,036	12.8
UK and US treasury bills	163,312	13.6	311,180	22.8	284,960	22.7
Credit investment funds	106,003	8.8	96,559	7.1	101,566	8.1
Legacy funds	31,055	2.6	33,954	2.5	33,001	2.7

Total capital pool investments [2]	501,527	41.7	539,292	39.5	579,563	46.3
Other net assets						
Cash and cash equivalents [3]	87,767	7.3	233,639	17.1	82,818	6.6
Charitable donations	(2,206)	(0.2)	(2,340)	(0.2)	(4,634)	(0.4)
Other assets and liabilities	(6,727)	(0.5)	(7,303)	(0.5)	(7,713)	(0.6)
Total other net assets	78,834	6.6	223,996	16.4	70,471	5.6
Total NAV of the Group	1,201,271	100.0	1,365,903	100.0	1,254,655	100.0

[1] The life science portfolio of £620,909,989 (30 September 2022: £602,615,195, 31 March 2023: £604,619,696) consists of life science investments totalling £571,821,342 (30 September 2022: £512,034,843, 31 March 2023: £517,377,259), deferred consideration of £14,041,049 (30 September 2022: £nil, 31 March 2023: £15,882,241), milestone payments of £2,197,532 (30 September 2022: £58,575,894, 31 March 2023: £54,515,861) held by Syncona Holdings Limited and the CRT Pioneer Fund of £32,850,066 (30 September 2022: £32,004,458, 31 March 2023: £32,726,576) held by Syncona Investments LP Incorporated.

[2] Capital pool investments of £501,526,973 (30 September 2022: £539,293,325, 31 March 2023: £579,563,640) are held by Syncona Investments LP Incorporated.

[3] Cash amounting to £15,874 (30 September 2022: £14,351, 31 March 2023: £11,402) is held by Syncona Limited. The remaining £87,750,741 (30 September 2022: £233,624,884, 31 March 2023: £82,806,203) 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 Condensed Consolidated Statement of Financial Position since it is included within financial assets at fair value through profit or loss.

Assets held by the Group are held primarily through Syncona Holdings Limited and Syncona Investments LP Incorporated. See note 1 for a description of these entities.

The totals in the above table may differ slightly to the audited financial statements due to rounding differences.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2023

	Notes	Revenue £'000	Capital £'000	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Investment income						
Other income		17,725	–	17,725	17,929	27,495
Total investment income		17,725	–	17,725	17,929	27,495
Net (losses)/gains on financial assets at fair value through profit or loss	5	–	(56,915)	(56,915)	47,552	(67,286)
Total (losses)/gains		–	(56,915)	(56,915)	47,552	(67,286)
Expenses						
Charitable donations	6	2,206	–	2,206	2,340	4,634
General expenses		12,317	–	12,317	7,495	11,593
Total expenses		14,523	–	14,523	9,835	16,227
(Loss)/profit for the period		3,202	(56,915)	(53,713)	55,646	(56,018)
Taxation		–	–	–	–	–
(Loss)/profit for the period after tax		3,202	(56,915)	(53,713)	55,646	(56,018)
(Loss)/earnings per Ordinary Share	9	0.48p	(8.49)p	(8.01)p	8.33p	(8.38)p

(Loss)/earnings per Diluted Share	9	0.48p	(8.49)p	(8.01)p	8.28p	(8.38)p

The total columns of this statement represent the Group's Condensed 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 period 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.

For the period ended 30 September 2022, the Company reported capital profit after tax in the amount of £47,552,000 (year ended 31 March 2023: capital loss after tax in the amount of £67,286,000).

All the items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2023

	Notes	Unaudited 30 September 2023 £'000	Unaudited 30 September 2022 £'000	Audited 31 March 2023 £'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	7	1,202,257	1,371,939	1,258,258
Current assets				
Bank and cash deposits		16	14	11
Trade and other receivables		7,896	5,723	10,143
Total assets		1,210,169	1,377,676	1,268,412
LIABILITIES AND EQUITY				
Non-current liabilities				
Share based payments provision	8	2,513	846	–
Current liabilities				
Share based payments provision	8	901	9,523	7,296
Payables		5,484	1,404	6,461
Total liabilities		8,898	11,773	13,757
EQUITY				
Share capital	9	767,999	767,999	767,999
Capital reserves		406,248	578,001	463,163
Revenue reserves		27,024	19,903	23,493
Total equity		1,201,271	1,365,903	1,254,655
Total liabilities and equity		1,210,169	1,377,676	1,268,412
Total net assets attributable to holders of Ordinary Shares		1,201,271	1,365,903	1,254,655
Number of Ordinary Shares in Issue	9	671,806,666	669,329,324	669,329,324
Net assets attributable to holders of Ordinary Shares (per share)	9	£1.79	£2.04	£1.87
Diluted NAV (per share)	9	£1.79	£2.03	£1.86

The unaudited Condensed Consolidated Financial Statements were approved on 15 November 2023.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES
For the period ended 30 September 2023

	Notes	Share capital £'000	Capital reserves £'000	Revenue reserves £'000	Total £'000
As at 31 March 2022 (audited)		**767,999**	**530,449**	**11,393**	**1,309,841**
Total comprehensive income for the period		–	47,552	8,094	55,646
Transactions with shareholders:					
Share based payments		–	–	416	416
As at 30 September 2022 (unaudited)		**767,999**	**578,001**	**19,903**	**1,365,903**
Total comprehensive loss for the period		–	(114,838)	3,174	(111,664)
Transactions with shareholders:					
Share based payments		–	–	416	416
As at 31 March 2023 (audited)		**767,999**	**463,163**	**23,493**	**1,254,655**
Total comprehensive loss for the period		–	(56,915)	3,202	(53,713)
Transactions with shareholders:					
Share based payments		–	–	329	329
As at 30 September 2023 (unaudited)		**767,999**	**406,248**	**27,024**	**1,201,271**

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 September 2023

	Notes	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Cash flows from operating activities				
(Loss)/profit for the period		(53,713)	55,646	(56,018)
Adjusted for:				
Losses/(gains) on financial assets at fair value through profit or loss	5	56,915	(47,552)	67,286

Non-cash movement in share based payment provision	(4,470)	(8,217)	(12,031)
Operating cash flows before movements in working capital	(1,268)	(123)	(763)
Decrease/(increase) in other receivables	2,247	4,155	(265)
(Decrease)/increase in other payables	(977)	(4,294)	763
Net cash generated from/(used in) operating activities	2	(262)	(265)
Net Increase/(decrease) in cash and cash equivalents	2	(262)	(265)
Cash and cash equivalents at the beginning of the period	14	276	276
Cash and cash equivalents at the end of the period	16	14	11

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 Condensed Consolidated Financial Statements.

CONDENSED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 30 September 2023

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 ("LSE") 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 for the year ended 31 March 2023.

2. ACCOUNTING POLICIES

The accounting policies applied in these interim accounts are the same as those applied by the Group in its Annual Report and Accounts for the year ended 31 March 2023 and shall form the basis of the 2024 Annual Report and Accounts. No new standards that have become effective in the period have had a material effect on the Group's financial statements.

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 create, build and scale around exceptional science, consists of financial information reported at the Group level. The capital pool is fundamental to the delivery of the Group's strategy and performance and 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.

Statement of compliance

The Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union, and should be read in conjunction with the Annual Report and Accounts for the year ended 31 March 2023, which have been prepared in accordance with IFRS as adopted by the European Union, and are in compliance with The Companies (Guernsey) Law 2008.

The annual financial statements of the Group will also be prepared in accordance with IFRS as adopted by the European Union. The financial information in these interim accounts was approved by the Board and authorised for issue on 15 November 2023. The financial information is unaudited but has been subject to a review by the Group’s independent auditor.

Basis of preparation

The Condensed Consolidated Financial Statements have been prepared under the historical cost basis, except for investments held at fair value through profit or loss, which have been measured at fair value.

Going concern

The Condensed Consolidated 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 £1,201.3 million (30 September 2022: £1,365.9 million, 31 March 2023 £1,254.7 million) of which £558.2 million (30 September 2022: £739.0 million, 31 March 2023: £629.4 million) are readily realisable within three months in normal market conditions, and liabilities including uncalled commitments to underlying investments and funds amounting to £52.0 million (30 September 2022: £74.0 million, 31 March 2023: £89.2 million).

Given the Group’s capital pool of £580.4 million (30 September 2022: £763.3 million, 31 March 2023: £650.1 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 Condensed Consolidated financial statements. The Directors also continue to monitor 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 Condensed Consolidated Financial Statements.

Basis of consolidation

The Group’s Condensed Consolidated Financial Statements consist of the financial statements of the Company and the General Partner.

The results of the General Partner during the period are consolidated in the Condensed Consolidated Statement of Comprehensive Income from the effective date of incorporation and are consolidated in full. The financial statements of the General Partner are prepared in accordance with United Kingdom 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 periods and year ended 30 September 2023, 30 September 2022 and 31 March 2023, 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 “Consolidated Financial Statements” 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 and is therefore consolidated.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the interim results requires Management to make 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 life science investments could result in outcomes that require a material adjustment to the carrying value of the assets or liabilities in future periods.

In preparing these interim results, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Annual Report and Accounts for the year ended 31 March 2023.

The key critical accounting judgement is the basis for determining the fair value of life science investments. Further information can be found in note 3 of the Annual Report and Accounts.

The key sources of estimation uncertainty are the valuation of the Holding Company's investments in privately held life science companies and milestone assets on the sale of a subsidiary, the investment in the CRT Pioneer Fund, the Partnership's private equity investments and the valuation of the share based payment liability.

The inputs and assumptions which result in estimation uncertainty when determining the valuation of the share based payment liability are described in note 2 of the Annual Report and Accounts. Sensitivity of the share based payment liability to reasonably possible changes in these inputs is not currently material to the financial statements as a whole.

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 12.

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 14% (30 September 2022: 17%, 31 March 2023: 10%) 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 that typically trigger value enhancement (or deterioration if not achieved) include the generation of substantial clinical data.

The Company has assessed the impact of the current macroeconomic environment on the private life science companies and does not consider that any revaluations are required as a direct result.

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	Unaudited 30 September 2023 % interest [1]	Unaudited 30 September 2022 % interest [1]	Audited 31 March 2023 % interest [1]
Syncona GP Limited	Guernsey	General Partner	100%	100%	100%
Syncona Holdings Limited	Guernsey	Portfolio management	100%	100%	100%
Syncona Investments LP Incorporated	Guernsey	Portfolio management	100%	100%	100%

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company.

1) Based on undiluted issued share capital and excluding the Management Equity Shares ("MES") issued by Syncona Holdings Limited (see note 8).

Indirect interests in subsidiaries

	Principal place	Unaudited 30 September 2023	Unaudited 30 September 2022	Audited 30 March 2023

Indirect Subsidiaries	of business	Immediate parent	Principal activity	% interest [1]	% interest [1]	% interest [1]
Syncona Discovery Limited	United Kingdom	Syncona Investments LP Incorporated	Portfolio management	100%	100%	100%
Syncona Portfolio Limited	Guernsey	Syncona Holdings Limited	Portfolio management	100%	100%	100%
Syncona IP Holdco Limited	United Kingdom	Syncona Portfolio Limited	Portfolio management	100%	100%	100%
Syncona IP Holdco (2) Limited	United Kingdom	Syncona Portfolio Limited	Portfolio management	100%	100%	100%
Syncona IP Holdco (3) Limited	United Kingdom	Syncona Portfolio Limited	Portfolio management	100%	–%	–%
Syncona Investment Management Limited	United Kingdom	Syncona Holdings Limited	Portfolio management	100%	100%	100%
SIML Switzerland AG	Switzerland	SIML	Gene therapy	100%	100%	100%
Resolution Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Cell therapy	90%	85%	85%
Forcefield Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Gene therapy	87%	81%	76%
SwanBio Therapeutics Limited	United States	Syncona Portfolio Limited	Gene therapy	85%	77%	82%
Purespring Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Gene therapy	82%	86%	81%
Beacon Therapeutics Holdings Limited	United Kingdom	Syncona Portfolio Limited	Gene therapy	78%	100%	70%
Kesmalea Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Small molecule	59%	41%	41%
Freeline Therapeutics Holdings plc	United Kingdom	Syncona Portfolio Limited	Gene therapy	58%	58%	58%
Mosaic Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Small molecule	51%	–%	51%

Indirect interests in associates

Indirect associates	Principal place of business	Immediate parent	Principal activity	Unaudited 30 September 2023 % interest [1]	Unaudited 30 September 2022 % interest [1]	Audited 30 March 2023 % interest [1]
Anaveon AG	Switzerland	Syncona Portfolio Limited	Biologics	46%	42%	46%
Quell Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Cell therapy	38%	43%	44%
OMass Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Small molecule	37%	38%	35%
Azeria Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	In voluntary liquidation	34%	34%	34%
Achilles Therapeutics plc	United Kingdom	Syncona Portfolio Limited	Cell therapy	27%	27%	27%
Clade Therapeutics Inc	United Kingdom	Syncona Portfolio Limited	Cell therapy	23%	17%	23%

[1] Based on undiluted issued share capital and excluding the Management Equity Shares ("MES") issued by Syncona Holdings Limited (see note 8).

5. 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.

	Notes	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Net (losses)/gains from:				
The Holding Company	5.a	(43,979)	71,241	(62,636)
The Partnership	5.b	(12,936)	(23,689)	(4,650)
		(56,915)	47,552	(67,286)

5.a Movements in the Holding Company:

	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Expenses	(46)	(45)	(97)
Movement in unrealised (losses)/gains on life science investments at fair value through profit or loss	(43,933)	71,286	(62,539)

Net (losses)/gains on financial assets at fair value through profit or loss	(43,979)	71,241	(62,636)

5.b Movements in the Partnership:

	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Investment income	103	61	106
Rebates and donations	(103)	155	81
Expenses	(252)	(128)	(342)
Realised (losses)/gains on financial assets at fair value through profit or loss	(774)	9,958	13,933
Movement in unrealised gains on financial assets at fair value through profit or loss	8,596	8,903	6,049
(Losses)/gains on foreign currency	(2,781)	(24,709)	3,018
Gains/(losses) on financial assets at fair value through profit or loss	4,789	(5,760)	22,845
Distributions	(17,725)	(17,929)	(27,495)
Net losses on financial assets at fair value through profit or loss	(12,936)	(23,689)	(4,650)

6. CHARITABLE DONATIONS

For the year ending 31 March 2024, the Group agreed to make a donation to charity of 0.35% of the total net asset value ("NAV") of the Group calculated on a monthly basis, 0.35% (30 September 2022: 0.20%, 31 March 2023: 0.35%) to be donated to The Syncona Foundation and 0% (30 September 2022: 0.15%, 31 March 2023: 0%) to The Institute of Cancer Research, and these donations are made by the General Partner.

During the period, charitable donations expense amounted to £2,206,217 (30 September 2022: £2,340,240, 31 March 2023: £4,633,973). As at 30 September 2023, £2,206,217 (30 September 2022: £2,340,240, 31 March 2023: £4,633,973) remained payable.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
The Holding Company	7.a	876,893	1,052,680	919,958
The Partnership	7.b	325,364	319,259	338,300
		1,202,257	1,371,939	1,258,258

7.a The net assets of the Holding Company

	Unaudited 30 September 2023 £'000	Unaudited 30 September 2022 £'000	Audited year 31 March 2023 £'000
Cost of the Holding Company's investment at the start of the period	494,810	494,810	494,810
Purchases during the period	–	–	–
Realised gains on transfer of assets	–	–	–

Cost of the Holding Company's investments at the end of the period	494,810	494,810	494,810
Net unrealised gains on investments at the end of the period	386,738	562,426	429,757
Fair value of the Holding Company's investments at the end of the period	881,548	1,057,236	924,567
Other net current liabilities	(4,655)	(4,556)	(4,609)
Financial assets at fair value through profit or loss at the end of the period	876,893	1,052,680	919,958

7.b The net assets of the Partnership

	Unaudited 30 September 2023 £'000	**Unaudited 30 September 2022 £'000**	**Audited year 31 March 2023 £'000**
Cost of the Partnership's investments at the start of the period	597,753	334,834	334,834
Purchases during the period	394,681	1,336,789	1,848,806
Sales during the period	(479,406)	(1,122,471)	(1,589,269)
Return of capital	(1,057)	(8,271)	(10,551)
Net realised (losses)/gains on disposals during the period	(774)	9,958	13,933
Cost of the Partnership's investments at the end of the period	511,197	550,839	597,753
Net unrealised gains on investments at the end of the period	30,792	25,050	22,196
Fair value of the Partnership's investments at the end of the period	541,989	575,889	619,949
Cash and cash equivalents	73,456	216,555	67,190
Other net current liabilities	(290,081)	(473,185)	(348,839)
Financial assets at fair value through profit or loss at the end of the period	325,364	319,259	338,300

8. SHARE BASED PAYMENTS PROVISION

Share based payments are associated with awards of MES in the Holding Company, relevant details of which are set out in note 2 of the Annual Report and Accounts for the year ended 31 March 2023.

The total cost recognised within general expenses in the Condensed Consolidated Statement of Comprehensive Income is shown below:

	Unaudited six months to 30 September 2023 £'000	**Unaudited six months to 30 September 2022 £'000**	**Audited year to 31 March 2023 £'000**
Charge related to revaluation of the liability for cash settled share awards	1,766	(1,585)	(2,968)
Total	1,766	(1,585)	(2,968)

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

	Unaudited 30 September 2023 £'000	**Unaudited 30 September 2022 £'000**	**Audited year 31 March 2023 £'000**

Share based payments provision - current	901	9,523	7,296
Share based payments provision - non-current	2,513	846	–
Total	3,414	10,369	7,296

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 MES has been established using an externally developed model, which is consistent with that used as at 31 March 2023. Key inputs described in note 2 of the Annual Report and Accounts have been determined based on internally generated data as at 30 September 2023. 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 period ended 30 September 2023 was £743,384 (30 September 2022: £2,529,130, 31 March 2023: £2,529,130). An award was made on 13 July 2023 at 11p per MES.

The number of MES outstanding are shown below:

	Unaudited 30 September 2023	**Unaudited 30 September 2022**	**Audited year 31 March 2023**
Outstanding at the start of the period	43,871,228	42,282,122	42,282,122
Issued	6,690,460	9,325,006	9,367,155
Realised	(6,700,688)	(7,762,846)	(7,762,846)
Lapsed	(42,149)	(15,203)	(15,203)
Outstanding at the end of the period	43,818,851	43,829,079	43,871,228
Weighted average remaining contractual life of outstanding MES, years	1.56	1.65	1.29
Vested MES at the end of the period	26,430,859	48,179,285	29,523,421
Realisable MES at the end of the period	8,083,985	11,786,343	12,010,048

As at 30 September 2023, if all MES were realised, the number of shares issued in the Company as a result would increase by 990,314 (30 September 2022: 4,024,467, 31 March 2023: 3,487,581). The undiluted per share value of net assets attributable to holders of Ordinary Shares would remain unchanged £1.79 to £1.79 if these shares were issued (30 September 2022: £2.04 to £2.03, 31 March 2023: £1.87 to £1.86).

9. SHARE CAPITAL

9.a Authorised share capital

The Company is authorised to issue an unlimited number of shares, which may or may not have a 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 the share capital in accordance with The Companies (Guernsey) Law, 2008.

	Unaudited 30 September 2023 £'000	**Unaudited 30 September 2022 £'000**	**Audited 31 March 2023 £'000**
Ordinary share capital			
Balance at the start of the period	767,999	767,999	767,999
Balance at the end of the period	767,999	767,999	767,999

	Unaudited 30 September	**Unaudited 30 September**	**Audited 31 March**

	2023 Shares	2022 Shares	2023 Shares
Ordinary share capital			
Balance at the start of the period	669,329,324	666,733,588	666,733,588
Share based payment shares issued during the period	2,477,342	2,595,736	2,595,736
Balance at the end of the period	671,806,666	669,329,324	669,329,324

No cash consideration is paid in relation to the issue of share based payment shares.

At 30 September 2023, 110,000 Ordinary Shares had no voting rights attached and were entered into treasury on 2 October 2023. Resulting in the total Ordinary Shares available for trade on an open market being 671,696,666.

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

9.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 at the period end and unrealised exchange differences of a capital nature are transferred to capital reserves.

9.c (Loss)/earnings per share

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

	Unaudited six months to 30 September 2023	Unaudited six months to 30 September 2022	Audited year to 31 March 2023
(Loss)/earnings for the purposes of (loss)/earnings per share	£(53,713,000)	£55,646,000	£(56,018,000)
Basic weighted average number of shares	670,303,415	667,825,783	668,575,494
Basic revenue earnings per share	0.48p	1.22p	1.69p
Basic capital (loss)/earnings per share	(8.49p)	7.11p	(10.07)p
Basic (loss)/earnings per share	(8.01)p	8.33p	(8.38)p
Diluted weighted average number of shares	671,293,729	671,850,250	672,063,075
Diluted revenue earnings per shares	0.48p	1.21p	1.69p
Diluted capital (loss)/earnings per share	(8.49p)	7.07p	(10.07)p
Diluted (loss)/earnings per share	(8.01)p	8.28p	(8.38)p

9.d NAV per share

	Unaudited 30 September 2023	Unaudited 30 September 2022	Audited 31 March 2023
Net assets for the purposes of NAV per share	£1,201,271,352	£1,365,903,347	£1,254,654,716
Ordinary Shares available to trade	671,696,666	669,329,324	669,329,324
NAV per share	178.8p	204.1p	187.4p
Diluted number of shares	672,686,980	673,353,791	672,816,905
Diluted NAV per share	178.6p	202.9p	186.5p

10. DISTRIBUTION TO SHAREHOLDERS

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

During the period ended 30 September 2023, the Company did not declare or pay a dividend (30 September 2022: £nil, 31 March 2023: £nil).

11. RELATED PARTY TRANSACTIONS

The Group has various related parties: life science 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. The total amounts included for investments where the Group has control are set out below:

During the period, the total amount invested in life science investments which the Group controls was £58,446,921 (30 September 2022: £44,824,695, 31 March 2023: £127,143,441).

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. These amounts are unsecured, interest free and repayable on demand.

During the period, the total amount invested in life science investments in which the Group has significant influence was £nil (30 September 2022: £12,999,998, 31 March 2023: £25,404,894).

Commitments of milestone payments to the life science investments are disclosed in note 13.

During the period, SIML charged the life science investments a total of £139,630 (30 September 2022: £99,213, 31 March 2023: £215,094) in relation to Director's fees and other fees of £521,127 (30 September 2022: £330,538, 31 March 2023: £nil).

Investment Manager

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

For the period ended 30 September 2023, SIML was entitled to receive reimbursement of reasonably incurred expenses as it relates to its investment management activities. In the year-ended 31 March 2022 this was capped at 1.05% per annum of the Company's NAV. This cap was removed during the 2023 financial year effective from 1 April 2022.

	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Amounts paid to SIML	8,648	5,474	12,121

Amounts owed to SIML in respect of management fees totalled £2,280,663 (30 September 2022: £1,145,213, 31 March 2023: £1,374,098).

During the period, SIML received fees from the Group portfolio companies of £660,757 (30 September 2022: £285,551, 31 March 2023: £864,632).

Company Directors

At the period 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.

Directors' remuneration for the periods and year ended, excluding expenses incurred, and outstanding Directors' remuneration as at the end of the year, are set out below.

	Unaudited six months to 30 September 2023 £'000	Unaudited six months to 30 September 2022 £'000	Audited year to 31 March 2023 £'000
Directors' remuneration for the period	253	247	499
Payable at end of the period	–	–	–

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 donation accrued to The Syncona Foundation during the period ended 30 September 2023 was £2,206,217 (30 September 2022: £2,428,478, 31 March 2023: £4,633,973).

12. 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 30 September 2023, 30 September 2022 and 31 March 2023:

30 September 2023 Assets (unaudited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	876,893	876,893
The Partnership	–	–	325,364	325,364
Total assets	–	–	1,202,257	1,202,257

30 September 2022 Assets (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	1,052,680	1,052,680
The Partnership	–	–	319,259	319,259
Total assets	–	–	1,371,939	1,371,939

31 March 2023 Assets (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss:				
The Holding Company	–	–	919,958	919,958
The Partnership	–	–	338,300	338,300
Total assets	–	–	1,258,258	1,258,258

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. The subsidiaries hold some investments valued using techniques with significant unobservable inputs as outlined in the sections that follow.

The underlying assets of the Holding Company and Partnership are shown below.

The following table presents the Holding Company's investments by level within the valuation hierarchy as at 30 September 2023, 30 September 2022 and 31 March 2023:

Asset type	Level	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
Listed investments	1	81,960	84,716	73,943	Publicly available share bid price as at statement of financial position date	n/a	n/a
SIML	3	5,555	5,855	6,108	Net assets of SIML	Carrying value of assets and liabilities determined in accordance with generally accepted accounting principles, without adjustment. A sensitivity of 5% (September 30, 2022: 5%, 31 March 2022: 5%) of the NAV of SIML is applied.	+/- £278
Milestone payments resulting from sale of subsidiary	3	2,198	58,576	54,516	Discounted Cash Flow	The main unobservable inputs consist of the assigned probability of milestone success and the discount rate used.	PoS: +/- £178 Discount rate: £18
Deferred consideration	3	14,041	–	15,882	Discounted Cash Flow	The main unobservable inputs consist of the assigned probability of milestone success and the discount rate used.	PoS: +/- £1,439 Discount rate: £484
Calibrated price of recent investment ("PRI") [(1)]	3	489,861	427,319	427,552	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 +/- 14% (30 September 2022: +/-17%, 31 March 2023: +/-10%).	+/-£68,581
Cash [(2)]	n/a	93	11	294	Amortised cost [(4)]	n/a	n/a
Other net assets [(3)]	n/a	283,185	476,203	341,663	Amortised cost [(4)]	n/a	n/a

Total financial assets held at fair value through profit or loss		876,893	1,052,680	919,958			

(1) Valuation made by reference to price of recent funding round unadjusted following adequate consideration of current facts and circumstances.
(2) Cash and other net assets held within the Holding Company are primarily measured at amortised cost which is equivalent to their fair value.
(3) Other net assets primarily consists of a receivable due from the Partnership totalling £288 million.
(4) Amortised Cost is considered equivalent to fair value.

The following table presents the movements in Level 3 investments of the Holding Company for the period ended 30 September 2023:

	Life science investments	Milestone payments and deferred consideration	SIML	Unaudited six months to 30 September 2023	Unaudited six months to 30 September 2022	Audited six months to 30 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance	427,552	70,398	6,108	504,058	381,286	381,286
Purchases during the period	58,409	–	–	58,409	58,635	156,363
Sales during the period	–	–	–	–	–	(15,311)
(Losses)/gains on financial assets at fair value through profit or loss	3,900	(54,159)	(553)	(50,812)	51,829	(18,280)
Closing balance	489,861	16,239	5,555	511,655	491,750	504,058

The net loss for the period included in the Condensed Consolidated Statement of Comprehensive Income in respect of Level 3 investments of the Holding Company held at the period end amounted to £50,812,000 (30 September 2022: £51,829,000 gain, 31 March 2023: £18,280,000 (loss)).

During the period, there were no movements from Level 3 to Level 1 (30 September 2022: nil, 31 March 2023: nil).

The following table presents the Partnership's investments by level within the valuation hierarchy as at 30 September 2023, 30 September 2022 and 31 March 2023:

	Level	Unaudited 30 September 2023 £'000	Unaudited 30 September 2022 £'000	Audited 31 March 2023 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
UK and US treasury bills	1	163,312	311,180	284,960	Publicly available price as at statement of financial position date	n/a	n/a
Capital pool investment fund- Credit funds	2	106,003	96,559	101,566	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Capital Pool Investment fund - Multi asset funds	2	97,563	48,156	58,615	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Capital pool investment fund - Multi asset fund	3	103,595	49,444	101,421	Valuation produced by fund administrator	The main unobservable input include the assessment of the performance of the underlying assets by the fund administrator.	+/- 5,180

						A reasonable shift in the Fair Value of the instruments would be +/-5% (30 September 2022:+/-11%, 31 March 2023 +/-5%)	
Legacy funds – Long-term unlisted investments	3	31,054	33,954	33,001	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 +/-12% (30 September 2022: +/-11%, 31 March 2023 +/-13%)	+/- 3,726
CRT Pioneer Fund	3	32,850	32,004	32,727	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 +/-51% (30 September 2022: +/-34%, 31 March 2023 +/-36%)	+/- 16,754
Cash [(1)]	n/a	81,081	221,151	74,863	Amortised cost [(3)]	n/a	n/a
Other net liabilities [(2)]	n/a	(290,094)	(473,189)	(348,853)	Amortised cost [(3)]	n/a	n/a
Total financial assets held at fair value through profit or loss		325,364	319,259	338,300			

[(1)] Cash and other net liabilities held within the Partnership are primarily measured at amortised cost which is equivalent to their fair value.
[(2)] Other net liabilities primarily consists of a payable due to Syncona Portfolio Limited totalling £288 million.
[(3)] Amortised Cost is considered equivalent to fair value.

During the period ending 30 September 2023, there were no movements from Level 1 to Level 2 (30 September 2022: nil, 31 March 2023: nil) or between other levels in the fair value hierarchy.

Assets classified as Level 2 investments are 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. Such investments have been classified as Level 2 because their value is based on observable inputs.

Assets classified as Level 3 long-term unlisted investments are underlying Limited Partnerships 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 six months to 30 September 2023, the six months to 30 September 2022 and the year to 31 March 2023:

	Investment in Subsidiary £'000	**Capital pool investment £'000**	**Unaudited six months to 30 September 2023 £'000**	**Unaudited six months to 30 September 2022 £'000**	**Audited year to 31 March 2023 £'000**
Opening balance	40,385	134,423	174,808	71,508	71,508
Purchases during the period	–	456	456	50,353	100,352
Return of capital	–	(1,057)	(1,057)	(8,271)	(10,551)
Gains on financial assets at fair value through profit or loss	77	827	904	6,404	13,499
Closing balance	40,462	134,649	175,111	119,994	174,808

The net gain for the period included in the Condensed Consolidated Statement of Comprehensive Income in respect of Level 3 investments of the Partnership held at the period end amounted to £904,000 (30 September 2022: £6,404,000 gain, 31 March 2023: £13,499,000 gain).

13. COMMITMENTS AND CONTINGENCIES

The Group had the following commitments as at 30 September 2023, 30 September 2022 and 31 March 2023:

	Unaudited 30 September 2023 £'000	Unaudited 30 September 2022 £'000	Audited year 31 March 2023 £'000
Life science portfolio			
Milestone payments to life science companies [(1)]	48,400	68,993	85,143
CRT Pioneer Fund	2,270	3,268	2,499
Capital pool investment	1,297	1,760	1,585
Total	51,967	74,021	89,227

[(1)] Milestone payments to life science companies consist of financial commitments undertaken before or at the reporting date, that are contingent upon the achievement of the agreed investment milestones. When the agreed investment milestones are not achieved, the decision to make partial or full payments remains at the discretion of the Group.

There were no contingent liabilities as at 30 September 2023 (30 September 2022: £nil, 31 March 2023: £nil). The commitments are expected to fall due in the next 36 months.

14. SUBSEQUENT EVENTS

On 29 September 2023, Syncona announced the launch of a share buy back programme. As of 30 September 2023, 110,000 shares were in the process of being purchased by the Company and therefore not available for trade. These shares were withdrawn and held as Treasury Shares on 2 October 2023 once the transaction settled.

As of 15 November 2023, 3,677,739 shares have been purchased and held in treasury.

These Condensed Consolidated Financial Statements were approved for issuance by the Directors on 15 November 2023. Subsequent events have been evaluated until 15 November 2023.

ALTERNATIVE PERFORMANCE MEASURES

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

	September 2023	September 2022	March 2023
A Net investment in the period	£58.4m	£57.4m	£154.7m
Adjusted for			
B. Proceeds from sales	–	–	£17.4m
C Net distributions from CRT Pioneer Fund	£0.2m	£1.2m	£5.1m
Total Capital deployed (A+B+C)	£58.6m	£58.6m	£177.2m

Life science portfolio return

Gross life science portfolio return for September 2023 (7.0) per cent; September 2022 3.9 per cent; March 2023 (14.3) per cent. This is calculated as follows:

	September 2023	September 2022	March 2023
A Opening life science portfolio	£604.6m	£524.9m	£524.9m
Net investment in the period	£58.4m	£57.4m	£154.7m
B Valuation movement	£(42.1)m	£20.3m	£(75.0)m
Closing life science portfolio	£620.9m	£602.6m	£604.6m
Life science portfolio return (B/A)	(7.0)%	3.9%	(14.3)%

Capital pool return

Gross Capital Pool return for September 2023 is 1.3 per cent; September 2022 5.7 per cent; March 2023 5.5 per cent. This is calculated by dividing the valuation movement of the gross capital pool investments (F) by the gross capital pool at the beginning of the period (D). Difference in calculation may be due to rounding of inputs. This is calculated as follows:

	September 2023	September 2022	March 2023
A Opening capital pool	£650.1m	£784.9m	£784.9m
B Opening other net assets/(liabilities) not included in gross capital pool	£12.3m	£19.6m	£19.6m
C Opening SIML cash	£(7.3)m	£(8.2)m	£(8.2)m
D Opening gross capital pool (A+B+C)	£655.1m	£796.3m	£796.3m
E Life science net investments and on going costs	£(80.2)m	£(68.5)m	£(185.5)m
F Valuation movement	£7.7m	£38.9m	£44.3m
G Closing gross capital pool (D+E+F)	£582.7m	£766.7m	£655.1m
Capital pool return (F/D)	1.3%	4.9%	5.5%

	September 2023	September 2022	March 2023
G Closing gross capital pool (D+E+F)	£582.7m	£766.7m	£655.1m
H Closing SIML cash	£6.6m	£6.3m	£7.3m
I Closing other net assets/(liabilities) not included in gross capital pool	£(8.9)m	£(9.7)m	£(12.3)m
J Total capital pool (G+H+I)	£580.4m	£763.3m	£650.1m

Capital Pool

	September 2023	September 2022	March 2023
A Cash	£87.7m	£233.6m	£82.8m
B Other assets and liabilities	£(8.9)m	£(9.7)m	£(12.3)m
C Net Cash (A+B)	£78.8m	£223.9m	£70.5m
D UK and US Treasury Bills	£163.3m	£311.2m	£285.0m
E Credit investment funds	£106.0m	£96.6m	£101.6m
F Multi-asset funds	£201.2m	£97.6m	£160.0m
G Legacy funds	£31.1m	£34.0m	£33.0m
Total Capital Pool (C+D+E+F+G)	£580.4m	£763.3m	£650.1m

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:

	September 2023	September 2022	March 2023
A NAV for the purposes of NAV per share	£1,201,271,353	£1,365,902,347	£1,254,654,716
B Ordinary shares available to trade (note 9)	671,696,666	669,329,324	669,329,324
C Dilutive shares	990,314	4,024,467	3,487,581
D Fully diluted number of shares (B+C)	672,686,980	673,353,791	672,816,905
NAV per share (p) (A/D)	178.6p	202.9p	186.5p

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:

	September 2023	September 2022	March 2023
A Opening NAV per fully diluted share (note 9):	186.5p	194.4p	194.4p
B Closing NAV per fully diluted share (note 9):	178.6p	202.9p	186.5p
C Movement (B-A)	(7.9)p	8.5p	(7.9)p
D Dividend paid in the year (note 10):	0.0p	0.0p	0.0p
E Total movement (C+D)	(7.9)p	8.5p	(7.9)p
NAV Total Return (E/A)	(4.2)%	4.3%	(4.1)%

All alternative performance measures are calculated using non-rounded figures.

GLOSSARY

AAV	Adeno-associated virus – a non-enveloped virus that can be engineered to deliver DNA to target cells.
ALL	Acute lymphoblastic leukaemia – a cancer of the bone marrow and blood in which the body makes abnormal white blood cells.
BLA	Biologics License Application.
CAR T-cell therapy	Chimeric antigen receptor T-cell therapy – a type of immunotherapy which reprogrammes a patient's own immune cells to fight cancer.
Capital deployed	"See Alternative Performance Measures"
Capital pool	Capital pool investments plus cash plus less other net liabilities.
Capital pool investments	The underlying investments consist of cash and cash equivalents, including short-term (1, 3, and 6 month) UK and US treasury bills, and a number of credit, multi-asset and legacy fixed term funds.
Capital pool investments return	"See Alternative Performance Measures"
Cell therapy	A therapy which introduces new, healthy cells into a patient's body, to replace those which are diseased or missing.
Clinical stage	Screened and enrolled first patient into a clinical trial.
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.

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.
Gross Capital Pool	Capital pool investments plus cash held by the Group excluding cash held by the Investment Manager
Group	Syncona Limited and Syncona GP Limited are collectively referred to as the "Group".
Holding Company	Syncona Holdings Limited.
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	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).
IRR	Internal Rate of Return.
Late-stage clinical	Has advanced past Phase II clinical trials.
Leukaemia	Broad term for cancers of the blood cells.
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"
Macrophages	A form of white blood cell and the principal phagocytic (cell engulfing) components of the immune system.
Management	The management team of Syncona Investment Management Limited.
Melanoma	A serious form of skin cancer that begins in cells known as melanocytes.
MES	Management Equity Shares.
Myeloma	A type of bone marrow cancer.
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"
NAV total return	"See Alternative Performance Measures"
NSCLC	Non-small cell lung cancer – the most common form of lung cancer.
Ordinary Shares available to trade	Ordinary Shares, with voting rights attached, that are freely tradable on the open market

Partnership	Syncona Investments LP Incorporated.
Pre-clinical	Not yet entered clinical trials.
Return	A Simple Rate of Return is the method used for return calculations.
SIML	Syncona Investment Management Limited.
Strategic portfolio	Portfolio of core life science companies where Syncona has significant shareholdings.
Syncona Group Companies	The Company and its subsidiaries other than those companies within the life science portfolio.
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.
The Syncona Foundation	The Foundation distributes funds to a range of charities, principally those involved in the areas of life science and healthcare.
Valuation Policy	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 (Price of Recent Investment or PRI), 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.