11 November 2021

Syncona Limited

Interim Results for the six months ended 30 September 2021

Continued focus on hands-on engagement with a maturing portfolio with key milestones ahead

Key highlights

- Net assets of £1,152.8 million (31 March 2021: £1,300.3 million), or 171.7p[1] per share (31 March 2021: 193.8p per share), a NAV total return of (11.4) per cent[2] driven predominantly by the decline in share prices of two of our listed holdings, Freeline Therapeutics (Freeline) and Achilles Therapeutics (Achilles):
    - Freeline experienced operational challenges as a result of the COVID-19 pandemic; these have now been addressed and the business re-initiated its clinical studies
    - Achilles' share price has been impacted by market sentiment towards cell and gene therapies; Syncona's view is that the business is performing well and executing in line with its expected timelines
- Continued operational progress across the portfolio, with decisive actions taken by a number of our portfolio companies during the period:
    - Syncona CIO and Freeline Chair, Chris Hollowood closely engaged with the Freeline Board as it updated its executive leadership team
    - Syncona CEO, Martin Murphy, took up the role of Chair of Autolus Therapeutics (Autolus), working with its board to ensure the company focused on the delivery of the AUTO1 (obe-cel) pivotal study
- Positive clinical progress across five clinical stage companies:
    - Autolus: further encouraging durability data from its lead therapeutic candidate AUTO1 for adult acute lymphoblastic leukaemia (ALL)
    - Gyroscope Therapeutics (Gyroscope): additional positive interim data in its Phase I/II FOCUS trial for the treatment of advanced dry age-related macular degeneration (AMD)
    - Freeline: dosed second patient in its second clinical programme for Fabry disease and post period end announced encouraging data from the patient; enrolment begun in run-in study for its Phase I/II dose confirmation study for Haemophilia B
    - Achilles: continued to make progress in ongoing Phase I/IIa studies in non-small cell lung cancer (NSCLC) and melanoma, enrolling patients in a higher dose process
    - Anaveon: dosed its first patient in a Phase I/II study of ANV419, a selective interleukin-2 (IL-2) agonist with the potential to target cancer; several patients have now been dosed in the study
- Next generation of companies poised to enter the clinic:

[1] Fully diluted, please refer to note 9 in the condensed consolidated financial statements
[2] Alternative performance measure, please refer to glossary

- Quell Therapeutics (Quell): continues to remain on track to enter the clinic with its lead programme in liver transplantation in Q1 CY2022
- SwanBio Therapeutics (SwanBio): commenced a natural history study evaluating patients to assess the course of adrenomyeloneuropathy (AMN), post period published encouraging pre-clinical data for its lead programme and remains on track to enter the clinic in CY2022

- Continuing to deploy strategic capital base in line with deployment guidance:
  - £50.8 million deployed in the period; capital base of £534.9 million at 30 September 2021
  - $30.0 million (£21.7 million[3]) commitment into Clade Therapeutics (Clade), a next generation stem cell-based therapeutics business, backing a world-class operating team alongside a syndicate of long-term investors in a $87.0 million Series A financing, which was led by Syncona

- Post period end: portfolio companies continuing to attract substantive capital from leading, long-term investors and companies; accessing $397.0[4] million year to date with $30.0 million committed from Syncona
  - Autolus announced a commitment of up to $250.0 million from Blackstone Life Sciences (Blackstone): investment of $100.0 million in equity and up to $150.0 million of product financing, of which $50.0 million is payable on the closing of the transaction and the remainder payable based on certain development and regulatory milestones
  - Gyroscope announced an equity investment from Sanofi of up to $60.0 million: $40.0 million initial investment with $20.0 million contingent on a future qualifying investment round and subject to the satisfaction of certain closing conditions[5]; investment validates potential of their investigational gene therapy

Martin Murphy, CEO of Syncona Investment Management Limited, said:
"Syncona has always taken a hands-on, partnership approach to supporting our companies as they progress towards key clinical, financial and operational milestones. This has been particularly important in recent months when our portfolio companies have needed to take decisive actions to address issues and adapt to specific challenges, some of which are inherent in clinical development.

Whilst we are disappointed by the decline in NAV during the period, we are continuing to build a diverse portfolio across the development cycle and therapeutic areas and remain confident in our companies' potential. The substantial capital that a number of our companies have accessed so far this year validate the significant opportunity ahead for them. With clinical data the key driver of value and risk for Syncona, we believe our companies are well positioned and on track to further validate our model and strategy in the next 12 months with the potential for a rich seam of data.

In addition to supporting our existing businesses, our expert team and strategic capital base mean we will be able to continue founding exciting companies around highly

[3] FX rate for initial investment as at 11 August 2021, the date of initial investment
[4] Includes Clade Series A financing
[5] Syncona holding will continue to be valued at Price of Recent Investment in line with the Series C financing round and IPEV guidelines

innovative science, with the potential to make a transformational difference to the lives of patients and deliver significant value for our shareholders."

Outlook

- We continue to target building a diversified and sustainable portfolio of 15-20 companies over the long term. In doing so, we continue to expect to deploy between £100-175 million into our existing companies and new opportunities this year

15 key milestones by the end of CY2022

Key milestones in calendar year 2021 (CY2021)

- Autolus to publish initial data on the AUTO1 (obe-cel) Phase 1b portion of its pivotal trial in relapsed refractory (r/r) adult ALL at the American Society of Haematology (ASH) in December 2021
- Autolus to publish non-clinical and initial data on AUTO1/22 trial in paediatric ALL at ASH in December 2021
- Freeline to publish long-term durability data from its Phase I/II dose-finding trial for Haemophilia B at ASH in December 2021
- Freeline to initiate trial site for Phase I/II dose-finding study in Gaucher disease Type 1

Key milestones in calendar year 2022 (CY2022):

- Autolus expects to progress its pivotal study in AUTO1 (obe-cel) r/r adult ALL and provide a data read-out from the primary endpoint of this programme in mid CY2022; on track to file BLA in CY 2023
- Autolus expects to publish initial clinical data in AUTO4 in Peripheral T cell Lymphoma (H1 CY2022)
- Achilles expects to provide interim data from higher dose clinical cohorts of its clonal neoantigen-reactive T-cell (cNet) therapy in NSCLC and Melanoma (H2 CY2022)
- Gyroscope expects to report further data from its Phase I/II FOCUS trial
- Freeline expects to progress three clinical stage programmes:
    - Initiate clinical trial sites for Phase I/II dose-confirmation study in Haemophilia B in Q1 CY2022, with interim data expected by the end of the year
    - Dose next patient in Phase I/II Fabry trial in Q1 CY2022 and publish interim data from the programme by the end of the year
    - Publish interim data from the Phase I/II Gaucher Type 1 disease programme
- Anaveon expects to publish initial data from the Phase I/II trial for its selective IL-2 agonist, ANV419 (Q1 CY2022); additional data published later in CY2022
- SwanBio expects to enter the clinic with its lead programme by end of the year
- Quell Therapeutics (Quell) expects to enter the clinic with its lead programme in liver transplantation, QEL-001 (Q1 CY2022)

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About Syncona:

Syncona's purpose is to invest to extend and enhance human life. We do this by founding and building a portfolio of global leaders in life science to deliver transformational treatments to patients in areas of high unmet need.

Our strategy is to found, build and fund companies around exceptional science to create a diversified portfolio of 15-20 globally leading healthcare businesses for the benefit of all our stakeholders. We focus on developing treatments for patients by working in close partnership with world-class academic founders and management teams. Our balance sheet underpins our strategy enabling us to take a long-term view as we look to improve the lives of patients with no or poor treatment options, build sustainable life science companies and deliver strong risk-adjusted returns to shareholders.

Copies of this press release, a company results presentation, and other corporate information can be found on the company website at: www.synconaltd.com.

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

Strategic and operational review

While our portfolio companies continued to make both pre-clinical and clinical progress during the period, we are disappointed to report a decline in net assets to £1,152.8 million or 171.7p per share, a (11.4)[6] per cent return in the six months (31 March 2021: net assets of £1,300.3 million, NAV per share of 193.8p) and a decline in the life science portfolio valuation to £617.9 million, a (21.3) per cent return[7] in the six months (31 March 2021: £722.1 million, 11.8 per cent return). Performance has been predominantly driven by the decline in the share prices of two of our listed holdings, Achilles and Freeline. In the case of Freeline, in addition to a softening of broader market sentiment towards gene therapies, the COVID-19 pandemic has led to operational challenges which the company has now addressed, whilst in the case of Achilles, there has been share price depreciation that we believe has been driven by broader market sentiment surrounding cell therapies, despite the business continuing to execute in line with its expected timeline.

We remain confident and focused on long-term value creation for our shareholders. The Syncona team has been proactive and moved decisively to support our companies in addressing any issues that have arisen. We believe our companies, which are built

[6] Alternative performance measure, refer to glossary
[7] Alternative performance measure, refer to glossary

around highly innovative science and stewarded by world-class management teams, are well-positioned to deliver on their upcoming key milestones.

Hands-on, active engagement with the portfolio

A core part of the Syncona model is to take a hands-on, partnership approach to building our companies and supporting them as they navigate the complexities and risks of clinical development. This discipline and our strong relationships with the management teams of our companies continued to be critical as we navigated the last 6–12 months, where Autolus has moved to focus on its AUTO1 programme for adult ALL and Freeline has been working to re-initiate its clinical programmes which have been impacted by the COVID-19 pandemic. Whilst the exact nature of the challenges our companies have faced were impossible to predict, these types of challenges are expected in our asset class, where assessing and managing risk is at the core of everything we do. Our team has a wealth of experience and expertise which means we know how to respond to these challenges and collaborate with our portfolio companies to support them in managing these effectively.

Optimising our financing approach

In light of the performance of our listed holdings, we have also further reviewed our approach to how our companies finance themselves. To date, our approach to building companies has provided them with the ability to access NASDAQ, enabling them to access capital at an appropriate scale. We have reviewed our experience and the varying approaches some of our companies have taken to accessing NASDAQ, assessing where we can improve and optimise our approach to manage the volatility that has been seen, whilst continuing to ensure our companies are funded at scale.

Our financing approach will now involve supporting our companies to take one of two core strategies:

- Bringing external investors in early (before the point of clinical validation) to provide capital at scale, ensuring Syncona maintains a significant ownership position in the company whilst providing the company with a broader set of supportive investors (including the public market as an option)
- Funding to be provided by Syncona on a sole basis to the point of clinical validation; beyond this point, a risk-based decision will be made as to whether to maintain sole ownership or syndicate to external investors (including the public market as an option)

Ken Galbraith, our Executive in Residence, who has 30 years' experience in biotech venture capital brings critical expertise that will be instrumental in helping us to continue to optimise our financing approach on an ongoing basis.

We are seeking to build and expose our shareholders to the returns that can be generated from a balanced portfolio of 15-20 companies over the long term. We believe that this financing approach will provide our shareholders with access to a set of privately held, high growth life science companies and a number of exciting, listed holdings built on our product-focused strategy.

Our strategic capital base and attracting long-term specialist investors to fund a maturing portfolio

Syncona maintains a strategic capital base of £534.9 million. We deployed £50.8 million in the first half, and we continue to expect to deploy between £100 million and

£175 million this year into our existing portfolio companies and new opportunities. Our capital base provides us with the control and flexibility to take a long-term approach to building our companies and allows us to fund them over the time frames required to reach late-stage development and approval. It also provides us with the ability to support our companies through the volatility intrinsic to developing clinical assets, which is critical as the portfolio matures and the number of clinical-stage companies increases. At 30 September, Syncona had £103.4 million of uncalled commitments, of which £96.2 million is committed to life science portfolio companies and tranched against milestones as these companies progress their programmes through pre-clinical and clinical development.

More broadly, our portfolio companies are continuing to attract substantial capital from leading, long-term investors and companies, accessing $397.0 million[8] year to date with $30.0 million committed from Syncona. Post period end, Gyroscope received a commitment of up to $60.0 million from Sanofi and Autolus attracted a commitment of up to $250.0 million from Blackstone. These financings validate the significant opportunity ahead for our portfolio and we think they are testament to the quality of the businesses that we have built. They are aligned with our optimised approach to financing companies, as we seek to take a disciplined approach to deploying our capital, whilst supporting our companies to access the scale of the funding they require to maximise their ambitions and deliver value for our shareholders.

Untapped promise of cell and gene therapy remains

Our growing and maturing portfolio is heavily enriched in cell and gene therapies and we remain excited about these fields. The data and impact on patients in these areas continues to be remarkable and our companies are executing against focused pathways to deliver products in areas of high unmet medical need. We believe there continues to be a significant commercial opportunity in these spaces for innovative biotech companies. As development has continued in these fields, there have been some issues identified, namely around safety in some approaches in the gene therapy space and managing manufacturing complexity in cell therapy. We remain confident that industry and regulators will collaborate to support the safe delivery of treatments in these fields, which are often targeting areas of extreme unmet need where therapeutic options are either limited or non-existent. The Syncona team monitors these issues closely and we are comfortable that our companies are navigating these risks appropriately and are continuing to strive to deliver safe and effective treatments for patients. Now with 10 companies in these fields, we continue to facilitate their collaboration on these issues and apply our learnings across the portfolio.

During the period, we made an exciting new investment in a company at the forefront of next-generation stem cell-based medicines, leading a $87.0 million Series A financing of Clade. Clade has been established with the aim of discovering and delivering scalable, next-generation, induced pluripotent stem cell (iPSC)-derived medicines. This investment further enhances Syncona's leading position in cell therapy with a technology and leadership team that we think is best-in-class and moreover diversifies our cell therapy portfolio with our first extension into the allogeneic field.

Key value inflection points ahead and significant long-term growth potential

[8] See footnote 4

Looking ahead, data is the key driver of value and risk for Syncona, and we believe our companies are well positioned and on track to further validate our model and strategy in the next 12 months with the potential for a rich seam of data. Five of our portfolio companies are at clinical stage, including our three listed portfolio companies. While not without risk, we believe that these companies can create value as they deliver their clinical programmes and achieve their ambitions to deliver transformational treatments to patients.

We have shown, through our sales of Blue Earth Diagnostics and Nightstar Therapeutics, that taking a long-term approach to ownership that focuses on taking products to approval or beyond can deliver significant value for shareholders. Whilst we recognise there may be continued volatility along the way, we are focused on managing our portfolio of companies to deliver strong risk-adjusted returns for shareholders.

Life science portfolio review[9]

Clinical

Gyroscope (13.3% of NAV, 54% shareholding)

- Published further positive interim data from Phase I/II FOCUS trial in geographic atrophy secondary to AMD; continued to enrol Phase II trials
- Decision made early in period to postpone IPO in light of challenging market conditions at the proposed time of launch

Gyroscope is developing gene therapy for a leading cause of blindness, dry age-related macular degeneration (AMD), for which there are currently no approved treatments.

The company made strong clinical progress in the half, continuing to dose patients in its open-label Phase I/II FOCUS trial, which is assessing safety and dose response of GT005, Gyroscope's investigational one-time gene therapy being evaluated for the treatment of an advanced form of dry AMD called geographic atrophy (GA). The business announced further interim data from this trial at the Retina Society meeting and will share limited additional data this month at the upcoming American Academy of Opthalmology and Retina World Congress meetings[10]. The data at Retina Society showed GT005 continues to be well tolerated, with a high proportion of the patients treated showing sustained increases compared to baseline in levels of Complement Factor I (CFI), a protein that regulates the complement system – overactivity of the complement system has been linked to dry AMD. Gyroscope expects to continue reporting additional data from FOCUS in CY2022. Gyroscope is currently enrolling its randomised controlled Phase II trials, HORIZON and EXPLORE, which are assessing the safety and efficacy of GT005 for patients with GA.

The company took the decision in May to postpone plans for its IPO, in light of challenging market conditions at the time. We are confident in the potential of Gyroscope and excited about the clinical data that continues to be generated by the business. We were pleased to announce post-period end that Sanofi, a global biopharmaceutical company, has committed to investing up to $60.0 million in equity

[9] Syncona shareholdings reported as fully diluted

10 Details of the data presented at the Retina Society meeting are available on the Gyroscope website. Details of the data presented at the American Academy of Opthalmology (AAO) and Retina World Congress (RWC) meetings will also be available on the Gyroscope website and RWC websites 13 November and 21 November respectively.

of Gyroscope, validating the potential of Gyroscope's therapies and supporting their ongoing Phase II programmes[11]. We believe recent Phase III data released by Apellis, a company also targeting the complement system to treat GA, validates the complement system as the right mechanism for treatment but leaves room on market for an improved therapy for patients with a disease that currently has no treatments. In this context, we think that Gyroscope is well-positioned to deliver on upcoming milestones.

Autolus (8.2% of NAV, 24% shareholding)

- Published positive durability data from lead programme of obe-cel in adult Acute Lymphoblastic Leukaemia (ALL)
- Announced appointment of experienced biopharma leader John H. Johnson as Chair; Edgar Braendle further strengthened senior team as CDO
- Post period end, commitment of up to $250 million from Blackstone

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

During the period, the company presented encouraging data at the European Haematology Association (EHA) Congress from its lead programme of obe-cel in relapsed/refractory (r/r) adult ALL. This showed a stabilisation in levels of event free survival amongst patients suffering with adult ALL between 12 and 24 months, providing further validation of the sustained efficacy of this treatment, as well as favourable safety data. The company continues to progress its pivotal trial for this treatment and will deliver primary endpoint data from the study in mid CY2022, whilst targeting a Biologics License Application (BLA) filing in CY2023. The company also published data related to obe-cel in r/r indolent B cell lymphomas (IBCL), which showed that in this setting the therapy was well tolerated and demonstrated a favourable safety profile.

The company continues to receive accelerated pathways for its therapies, receiving Orphan Drug designations throughout its clinical portfolio in the period. Additionally, the company has signed an Option and License Agreement with Moderna, granting Moderna an exclusive license to develop and commercialise messenger RNA (mRNA) therapies incorporating Autolus' proprietary binders in up to four immune-oncology targets, which we believe provides further validation of Autolus' technology.

During the period, Syncona CEO, Martin Murphy, held the role of Chair at Autolus, working with its Board to ensure the company remained focused on its pivotal study whilst supporting the business. The company appointed John H. Johnson as Chair in September, bringing a wealth of experience from across the biopharmaceutical industry, including commercial leadership roles at Eli Lilly & Company, ImClone, Johnson & Johnson, and Pfizer; Martin remains a director on the company's Board. Autolus also strengthened its executive team, with Edgar Braendle joining as Chief Development Officer (CDO) from Sumitomo Dainippon, where he was Chief Medical Officer (CMO) and Global Head of Development.

[11] See footnote 5

Post period end, Autolus announced a commitment of up to $250.0 million from Blackstone with an investment of $100.0 million in equity and up to $150.0 million in product financing, of which $50.0 million is payable upon the closing of the transaction and the remainder payable based on certain development and regulatory milestones. In return for this strategic investment, Autolus will pay Blackstone a capped mid-single digit royalty based on product revenues generated from worldwide net sales of obe-cel and potential next generation products, with Blackstone also appointing a representative to the Autolus board of directors. Syncona is pleased that Autolus has been able to attract a significant investment from Blackstone, further validating the potential of its obe-cel product and underlining the continued interest in autologous CAR-T cell therapies from high quality investors.

The business is now very well positioned to deliver on its upcoming clinical milestones as it moves into a pivotal trial with its lead programme and is funded through to the primary endpoint data from this study.

Achilles (5.6% of NAV, 27% shareholding)

- Continued to make progress in ongoing Phase I/IIa studies in non-small cell lung cancer (NSCLC) and Melanoma, with trials moving to higher dose process
- Board strengthened by addition of Julie O'Neill
- Well-funded with cash runway through to H2 CY2023

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

During the period the company enrolled its first US patient in its ongoing Phase I/IIa study in advanced non-small cell lung cancer (NSCLC), meaning that the study is now active and enrolling in the US, EU and UK. The company has set out its future clinical plans for the ongoing Phase I/II studies in NSCLC and Melanoma and expects to begin enrolment to move the trials to its higher dose, VELOS™ Process 2 manufacturing by the end of CY2021. The business has published further data from the initial lower dose process as part of the Society for Immunotherapy of Cancer (SITC) conference. This data, in Syncona's view, continues to support the company's move to the higher dose process, where we expect data in H2 CY2022.

The company also continues to expand its Board, with Julie O'Neill, previously Executive Vice President of Global Operations at Alexion Pharmaceuticals, joining as a non-executive director during the period. Whilst it has seen some share price volatility driven by broader market sentiment towards cell and gene therapies, we remain confident in the fundamentals of Achilles, with the company well-funded to deliver on its clinical pipeline with a cash runway through to H2 CY2023.

Freeline (4.2% of NAV, 45% shareholding)

- Dosed additional patient in clinical trial for FLT190 Fabry therapy with data from the patient showing early promising efficacy; FLT201 in Gaucher expected to initiate trial site in CY2021
- Announced operational changes, extending expected cash runway into Q1 CY2023; Michael J. Parini became CEO and Executive Director and post period end, Pamela Foulds, MD became CMO

Freeline, our gene therapy company focused on liver expression for a range of chronic systemic diseases, continued to progress its clinical pipeline in the period.

Freeline has now dosed its second patient in its MARVEL-1 clinical trial for its FLT190 Fabry therapy and expects to dose an additional patient in Q1 CY2022 and publish further data in CY2022 from the trial. The data from the second patient was in Syncona's view, highly encouraging, with the key enzyme required to treat the disease reaching near normal levels, enabling the patient to remain off enzyme replacement therapy more than 16 weeks post-treatment[12]. Whilst the patient also experienced mild and transient myocarditis, which was closely monitored, the patient is now stable, and the independent data monitoring committee has proposed the third patient be dosed the same level of dose as the second patient with increased cardiac monitoring. We look forward to seeing further progress from this study.

In its lead FLT180a Haemophilia B programme, Freeline has begun enrolling in its ECLIPSE run-in study for its upcoming Phase I/II dose-confirmation trial, which is targeting the initiation of clinical sites in Q1 CY2022. It also expects the clinical trial site to be live for FLT201 Gaucher programme before the end of CY2021, entering an indication in which there is currently no approved gene therapy. This means Freeline will have three live clinical studies by the end of CY2021, a significant milestone for the business.

Syncona also supported a number of operational changes during the half, with Syncona CIO and Freeline Chair, Chris Hollowood, working closely with the Freeline Board throughout the period to implement these. In August, Michael J. Parini became CEO and an Executive Director, having previously served as President and Chief Operating Officer. Michael is an experienced executive, having previously spent time in leadership positions at both Vertex Pharmaceuticals and Pfizer. The company also appointed a new CMO, Pamela Foulds, MD, a proven enterprise leader with a strong track-record of collaboration, trial design and execution in delivering impactful therapies to patients, who has previously worked at Aegerion Pharmaceuticals and Biogen.

Freeline undertook a thorough review of its operational plans during the period, re-defining its strategic priorities to accelerate value creation, with the refined plan extending its expected cash runway by nearly two quarters into the first quarter of CY2023. The business is also currently evaluating whether to extend further pre-clinical work on its Haemophilia A programme. In his role as Chair, Chris continues to work closely with the business on these plans and we remain positive about the potential of the company's technology to treat a wide range of systemic diseases.

Anaveon (1.7% of NAV, 51% shareholding)

- Initiated lead ANV419 clinical programme and making good progress dosing patients

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

The company reached a key milestone in the period, entering the clinic in its Phase I/II study to evaluate the safety and tolerability of its lead ANV419 programme, dosing

[12] Data cut-off date of 6 October 2021

multiple patients in the half and executing well. The business expects to report initial data from the trial in Q1 CY2022, with all clinical sites having now opened and recruitment proceeding as planned. Whilst the IL-2 space is competitive, Anaveon's technology has the potential to show differentiation in selectivity, safety and level of activity based on positive pre-clinical data it has published to date which supports further development in patients with malignant tumours.

Pre-clinical

SwanBio (5.4% of NAV, 75% shareholding)

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

During the period the company initiated a natural history study of AMN. This observational, multinational study will prospectively evaluate patients to assess the course of the disease, providing valuable insights for its planned clinical trial for SBT101, its preclinical gene therapy for the treatment of AMN. Post-period end, the company also announced encouraging pre-clinical data in SBT101 and the company remains on track to enter the clinic with this trial in CY2022.

Quell (3.9% of NAV, 74% shareholding)

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

The business continues to remain on track to begin its Phase I/II LIBERATE trial in Q1 CY2022, having received approval of its Clinical Trial Application (CTA) from the UK Medicines and Healthcare products Regulatory Agency (MHRA) post period end. This will assess the company's lead candidate QEL-001, which is designed to prevent organ rejection in liver transplant patients. The company is also developing its operational capabilities in preparation for clinical entry and for the benefit of its broader pipeline, during the period announcing that it has entered into a collaboration with the Cell and Gene Therapy Catapult (CGTC) to expand Quell's clinical manufacturing capabilities within one of the CGTC's specialist large-scale manufacturing modules, with this adding a second good manufacturing practice (GMP) facility to Quell's operations.

The company continues to expand its team as it progresses its operational development, hiring Dominik Hartl, formerly Therapeutic Area Head – Translational Medicine/Biomarkers for Autoimmunity/Transplantation/Inflammation (ATI) at the Novartis Institutes for Biomedical Research (NIBR), as CMO in the period. Tracey Lodie has also now joined as Chief Scientific Officer (CSO), bringing 20 years of experience in the biopharmaceutical industry, most recently at Gamida Cell, where she served as CSO with responsibility for the entire cell therapy pipeline.

Purespring Therapeutics (1.6% of NAV, 84% shareholding)

Purespring was founded by Syncona in November 2020 and is one of the first kidney focussed AAV gene therapy companies, with the company seeking to advance gene therapies for the treatment of chronic renal diseases currently poorly served by existing treatments.

Over the last year, the company has been built out at scale and at pace. During the period, they have expanded their senior team, with world-class recruits, Dr Ronny Renfurm, formerly Group Head of Medical Science Nephrology at Astellas joining as CMO, and Julian Hanak, formerly Global Head of Chemistry, Manufacturing and Control (CMC) at Nightstar, joining as CDO. The company continues to develop its operational plans and has established fully operational labs and offices in less than a year. Purespring also started its CMC activities at speed and is executing upon a manufacturing strategy that draws upon Julian's significant expertise in gene therapy, which will be greatly enabling for Purespring's AAV platform. On the research front, the business is making progress towards candidate selection with three programmes in preclinical development whilst continuing to work successfully on its proprietary delivery to the kidney as well as its pipeline engine FunSel[13], under the world-class leadership of CEO Richard Francis and co-founder and CSO Professor Moin Saleem.

Neogene Therapeutics (1.0% of NAV, 9% shareholding)

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

Neogene continues to attract world class leaders to the company, appointing Brent Pfeiffenberger as Chief Operating Officer during the period. Brent was most recently senior vice president of U.S. Oncology at Bristol Myers Squibb and will lead and scale the company's global business operations. The company also welcomed Han Lee as Chief Financial Officer (CFO), with Han joining from Arcellx, Inc, where he served as CFO. The company is delivering on its strategic and operational plan and remains on course to file its CTA in the Netherlands by the end of CY2021.

Clade Therapeutics (1.0% of NAV, 23% shareholding)

Syncona made a $30 million (£21.7 million) commitment to Clade Therapeutics, leading a $87.0 million (£62.8 million) Series A financing in the company. Clade has been established with the aim of discovering and delivering scalable next-generation induced pluripotent stem cell (iPSC)-derived medicines. There is vast potential in iPSC technology, with Clade's proprietary platform technology enabling the "cloaking" of human pluripotent stem cells, meaning that cells can be introduced to patients whilst being protected from the immune system, potentially allowing for long-term persistence and the development of next-generation stem cell-based medicine.

The business is led by a world-class operational team with Dr. Chad Cowan, scientific co-founder of CRISPR Therapeutics and former Associate Professor at Harvard University in the Department of Stem Cell and Regenerative Biology holding the role of Chief Executive, and Dr. Jim Glasheen, a co-founder of Atlanta Therapeutics and former general partner at Technology Partners Venture Capital, serving as Clade's Executive President and Chief Business Officer. Also participating in the round were specialist investors including LifeSci Ventures, Emerson Collective, and global biopharma leader Bristol Myers Squibb. This investment marks an expansion by Syncona into next generation stem cell-based therapeutics. The first tranche of $15.0 million (£10.8 million)[14] has been invested by Syncona (equal to current holding value)

[13] Purespring's unbiased in-vivo screening platform which comprehensively screens for protective factors that could have applications across several kidney diseases
[14] FX rate taken on date of initial investment

and Syncona will have a 22.6 per cent stake in the business at the point all current commitments are invested.

Syncona CEO Martin Murphy will be joining the Board of the company whilst Syncona Partner Michael Kyriakides will act as a Board observer as it moves to the next phase in its development.

Resolution Therapeutics (0.6% of NAV, 79% shareholding)

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

During the period the company expanded its Board, with Lisa Bright joining as a non-executive director, bringing 30 years' experience in biopharma, most recently on the executive team at Intercept Pharmaceuticals Inc. Resolution continues to progress development of its engineered macrophage cell therapy, with the ongoing academic MATCH 2 trial of non-engineered autologous macrophages in liver cirrhosis completing recruitment during the period.

Drug discovery:

OMass (1.9% of NAV, 49% shareholding)

OMass is a biotechnology company identifying small molecules against highly validated target ecosystems such as membrane proteins or intracellular complexes. The company's unique technology platform comprises of novel biochemistry techniques, next generation native mass spectrometry and custom chemistry. The company has now selected a pipeline of five candidates, with a focus on immunological and orphan diseases. OMass' lead programme, MC2, is targeting orphan endocrine diseases and is expected to enter lead optimisation stage in the near future.

Life Science Investments:

Beyond our core portfolio of 12 life science companies, we have a small number of life science investments. Post period end, Cambridge Epigenetix (CEGX), a life sciences tools and analytics company, raised $88.0 million in a Series D financing led by Temasek. Given Syncona's relatively low ownership stake in the business, we regard our holding in CEGX as an investment. In this context, we remain supportive of the business but did not participate in the financing round. We are, however, delighted that they have been able to attract high quality investors to provide further funding as they seek to deliver on their strategy, with this financing a validation of the company's potential. The financing round has resulted in a £15.4 million uplift to Syncona's previous holding value in the company.

Next key milestones for clinical programmes at 30 September 2021

Autolus - cell therapy / oncology	
AUTO1 / Adult ALL	Initial data on the Phase 1b portion of the pivotal trial to be presented at ASH in December CY2021. Progress pivotal study and provide primary endpoint data in mid CY2022.
AUTO1/22 / paediatric ALL	Publish clinical data in at ASH in December 2021.
AUTO4 - T cell Lymphoma	Publish clinical data in H1 CY2022.

Freeline - gene therapy / systemic diseases	
Haemophilia B	Publish long-term durability data from Phase I/II dose-finding trial at ASH in December 2021. Initiate clinical trial sites for Phase I/II dose-confirmation study in Haemophilia B in Q1 CY2022, with interim data expected by the end of the year
Fabry disease	Dose next patient in Q1 CY2022 and publish interim data from the programme in CY2022.
Gaucher	Initiate clinical site for Phase I/II dose-finding study in Q4 CY2021 and publish interim data from the programme in CY2022.
Gyroscope - gene therapy / retinal diseases	
FOCUS – Phase I/II open-label; Geographic Atrophy	Expect to report further data in CY2022.
Achilles - cell therapy / oncology	
Non-small cell lung cancer	Dosing patients in higher dose cNet therapy in first half of CY2022, interim data expected H2 CY2022.
Melanoma	Dosing patients in higher dose cNet therapy in first half of CY2022, interim data expected H2 CY2022.
Anaveon – biologics	
Selective IL-2 agonist	Data in Phase I/II ANV419 study to be published Q1 CY2022; additional data to be published in CY2022.

Next key milestones for pre-clinical programmes at 30 September 2021

SwanBio - gene therapy / neurological diseases	
Adrenomyeloneuropathy (AMN)	Expect to enter the clinic in CY2022.
Quell - cell therapy / autoimmune diseases	
Liver transplant	Phase I/II initiation of lead programme targeting liver transplant; well-placed for clinical entry in this programme in Q1 CY2022.

Life science valuation table:

Company	31 Mar 2021	Net investment in the period	Valuation change	FX movement	30 Sep 2021	% of Group NAV	Valuation basis[15][16][17]	Fully diluted owner-ship stake	Focus area
	(£m)	(£m)	(£m)	(£m)	(£m)			(%)	
Portfolio Companies									
Clinical									
Gyroscope	150.1	-	-	3.4	153.5	13.3	PRI	54	Gene therapy
Autolus	81.2	-	11.6	2.1	94.9	8.2	Quoted	24	Cell therapy

[15] Primary input to fair value
[16] 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
[17] 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

Achilles	133.1	-	(70.4)	1.4	64.1	5.6	Quoted	27	Cell therapy
Freeline	167.9	-	(121.0)	1.1	48.0	4.2	Quoted	45	Gene therapy
Anaveon	18.5	-	-	0.7	19.2	1.7	Cost	51	Immunoncology
Pre-Clinical									
Quell	35.1	10.1	-	-	45.2	3.9	Cost	74	Cell therapy
SwanBio	53.7	7.6	-	1.5	62.8	5.4	Cost	75	Gene therapy
Purespring	3.9	14.6	-	-	18.5	1.6	Cost	84	Gene Therapy
Neogene	11.0	-	-	0.4	11.4	1.0	Cost	9	Cell Therapy
Clade	-	10.8	-	0.4	11.2	1.0	Cost	23	Cell Therapy
Resolution	7.4	-	-	-	7.4	0.6	Cost	79	Cell therapy
Drug discovery									
OMass	16.4	5.1	-	-	21.5	1.9	Cost	49	Therapeutics
Life Science Investment									
CRT Pioneer Fund	36.6	(1.1)	-	-	35.5	3.1	Adj Third Party	64	Oncology
CEGX	1.5		15.4	-	16.9	1.5	PRI	9	Epigenetics
Adaptimmune	5.3	-	(0.1)	0.1	5.3	0.5	Quoted	1	Cell therapy
Forcefield	0.4	2.1	-	-	2.5	0.2	Cost	82	Biologics
Total Life Science Portfolio	**722.1**	**49.2**	**(164.5)**	**11.1**	**617.9**	**53.7**			

Board activity

We are announcing today that Nigel Keen is to retire as a Non-Executive Director with effect from 31st December 2021. Nigel co-founded Syncona Partners in 2012 with Syncona CEO, Martin Murphy and the Wellcome Trust and has been actively involved since, first as Chairman of Syncona Partners and then as a non-executive Director with Syncona Limited and Chairman of Syncona Investment Management Limited. He has made an invaluable contribution to the whole business over the last nine years as Syncona has grown from £200m of commitments at foundation in 2012 to £1.1bn of net assets today and retires as a Non-Executive Director with the Company well positioned for the next stage of its development.

As previously announced at annual results, Nicholas Moss will also step down as Non-Executive Director on 31st December 2021 after serving nine years on the Board. Nicholas has been working to enable a smooth transition of responsibilities over the last five months. From 1st January 2022 Virginia Holmes will take over the role of Senior Independent Director and Gian Piero Reverberi will take over the role of Chair of the Remuneration Committee. We would also like to thank Nicholas for his contribution

and counsel to Syncona over nine years, including serving as Senior Independent Director, Audit Committee Chair, and Remuneration Committee Chair.

As set out in our Annual Report, the Board continues to seek to recruit further high-quality Directors and has undertaken a global recruitment search to seek new Directors with US-based life science experience. We expect to announce an appointment to the Board in the near future.

Audit tender update

As disclosed in the Group's 2020 and 2021 Annual Report, the Company's Audit Committee intended to carry out a competitive audit tender during FY2020/21 or FY2021/22. The tender process was carried out during the first half of the current financial year and following a recommendation from the Audit Committee, the Board have approved that Deloitte LLP be proposed for re-appointment as its external auditor for FY2022/23. A resolution to approve their appointment will be proposed to shareholders at the Company's AGM in 2022. Further details of the tender process will be provided in the Report of the Audit Committee in the 2022 Annual Report.

Supplementary information

- £832 million invested in life science portfolio since foundation in 2012

Syncona Generations of portfolio companies	**Multiple**
Syncona Generation 1: Autolus, Blue Earth Diagnostics and Nightstar	3.2x[18]
Syncona Generation 2: Freeline, Gyroscope and Achilles	0.8x
Syncona Generation 3: OMass, Resolution, SwanBio, Quell and Anaveon	1.0x[19]
Syncona Generation 4: Purespring, Clade and Neogene	1.0x

Managing risk and uncertainty around the disclosure of clinical trial data in open-label trials

Currently, our portfolio companies are progressing 12 clinical trials, 10 of which are open-label trials. These trials represent both a significant opportunity and risk for each company and for Syncona.

Open label trials are clinical studies in which both the researchers and the patients are aware of the drug being given. In some cases, the number of patients in a trial may be relatively small. Data is generated as each patient is dosed with the drug in a trial and is collected over time as results of the treatment are analysed and, in the early stages of these studies, dose-ranging studies are completed.

Because of the trial design, clinical data in open-label trials is received by our portfolio companies on a frequent basis. However, individual data points need to be treated with caution, and it is typically only when all or substantially all of the data from a trial is available and can be analysed that meaningful conclusions can be drawn from that

[18] Includes capital invested in CEGX and write off of 14MG

[19] Includes write off of Azeria

data about the prospect of success or otherwise of the trial. In particular it is highly possible that early developments (positive or negative) in a trial can be overtaken by later analysis with further data as the trial progresses.

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

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 2021: https://www.synconaltd.com/media/ftofwusb/6295-syn-ar21-21-06-28-lo.pdf. These include:

Enterprise risks:
- People in the Syncona team
- Access to capital
- Strategy and governance
- COVID-19

Portfolio risks:
- Early-stage investments
- Clinical trial and regulatory approval
- Commercialisation
- People in portfolio companies
- Capital pool

Operational risks:
- Systems and controls

Going Concern

The Company has an indefinite life. The net assets held by the Group and within investment entities controlled by the Group currently consist of securities and cash amounting to £1,152.8 million (31 March 2021: £1,300.3 million) of which 41.23 per cent (31 March 2021: 41.89 per cent) are readily realisable in three months in normal market conditions, and liabilities including uncalled commitments to underlying investments and funds amounting to £103.4 million (31 March 2021: £115.5 million).

The Group has considered the implications of the COVID-19 pandemic on the Group and each of its portfolio companies. Given the experience of the past year the Group has concluded that the impact will vary from investment to investment, with delays in certain programmes of work (expected to be three to six months in the majority of cases) and potential associated additional capital requirements. This remains consistent with the assessment made on 31 March 2021. The Group has taken account of the COVID-19 pandemic in the valuation of its investments as at period end.

Given the Group's capital pool of £534.9 million on 30 September 2021 the Directors consider that the Group has adequate financial resources to continue its operations, including existing commitments to its investments and additional capital requirements identified in the review, for 12 months following the approval of the Condensed Consolidated Financial Statements. Hence, the Directors believe, having considered the impact of COVID-19, 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
Virginia Holmes, Non-Executive Director
Rob Hutchinson, Non-Executive Director
Kemal Malik, Non-Executive Director
Nicholas Moss, Non-Executive Director
Nigel Keen, Non-Executive Director
Gian Piero Reverberi, Non-Executive Director

INDEPENDENT REVIEW REPORT TO SYNCONA LIMITED

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 2021 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Net Assets Attributable to Holders of Ordinary Shares, Condensed Consolidated Statement of Cash Flows and related notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, 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.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with 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 International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 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. 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.

Conclusion

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 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. 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
St Peter Port, Guernsey
10 November 2021

SYNCONA LIMITED

UNAUDITED GROUP PORTFOLIO STATEMENT
As at 30 September 2021

	Fair value £'000	% of Group NAV 30 September 2021	Fair value £'000	% of Group NAV 30 September 2020	Fair value £'000	% of Group NAV 31 March 2021
Life science portfolio						
Life science companies						
Achilles Therapeutics plc	64,099	5.6	72,413	5.3	133,127	10.2
Anaveon AG	19,245	1.7	–	–	18,575	1.4
Autolus Therapeutics plc	94,926	8.2	143,705	10.5	81,180	6.2
Cambridge Epigenetics Limited	16,913	1.5	–	–	–	–
Freeline Therapeutics Holdings plc	48,035	4.2	227,248	16.6	167,902	12.9
Gyroscope Therapeutics Holdings plc	153,504	13.3	81,975	6.0	150,062	11.5
Omass Therapeutics Limited	21,563	1.9	–	–	16,436	1.3
Purespring Therapeutics Limited	18,500	1.6	–	–	–	–
Quell Therapeutics Limited	45,171	3.9	–	–	35,069	2.7
SwanBio Therapeutics Limited	62,792	5.4	32,974	2.4	53,689	4.1

Companies of less than 1% of NAV	37,587	3.2	72,515	5.4	29,526	2.4
Total life science companies [1]	582,335	50.5	630,830	46.2	685,566	52.7
CRT Pioneer Fund [2]	35,523	3.1	35,761	2.6	36,576	2.8
Total life science portfolio [3]	617,858	53.6	666,591	48.8	722,142	55.5
Capital pool investments						
UK treasury bills	362,865	31.5	479,999	35.1	344,862	26.5
Legacy funds	77,070	6.7	87,457	6.4	72,366	5.6
Total capital pool investments [2]	439,935	38.2	567,456	41.5	417,228	32.1
Other net assets						
Cash and cash equivalents [4]	112,396	9.8	165,639	12.1	199,833	15.4
Charitable donations	(2,061)	(0.2)	(2,393)	(0.2)	(4,710)	(0.4)
Other assets and liabilities	(15,378)	(1.4)	(30,543)	(2.2)	(34,204)	(2.6)
Total other net assets	94,957	8.2	132,703	9.7	160,919	12.4
Total NAV of the Group	1,152,750	100.0	1,366,750	100.0	1,300,289	100.0

[1] The fair value of Syncona Holdings Limited amounting to £802,272,987 is comprised of investments in life science companies of £582,334,992, investments in Syncona Investment Management Limited of £5,793,776, other net assets of £218,609,656 in Syncona Portfolio Limited and other net liabilities of £4,465,437 in Syncona Holdings Limited.

[2] The fair value of the investment in Syncona Investments LP Incorporated amounting to £363,719,588 is comprised of the investment in the capital pool investments of £439,935,066, the investment in the CRT Pioneer Fund of £35,523,330 cash of £103,871,577 and other net liabilities of £215,610,385.

[3] The life science portfolio of £617,858,322 (30 September 2020: £666,591,246, 31 March 2021: £722,142,341) consists of life science investments totalling £582,334,992 (30 September 2020: £630,829,763, 31 March 2021: £685,566,309) held by Syncona Holdings Limited and the CRT Pioneer Fund of £35,523,330 (30 September 2020: £35,761,483, 31 March 2021: £36,576,032) held by Syncona Investments LP Incorporated.

[4] Cash amounting to £578,591 (30 September 2020: £548,029, 31 March 2021: £13,916) is held by Syncona Limited. The remaining £111,816,947 (30 September 2020: £165,090,943, 31 March 2021: £199,819,232) is held by its subsidiaries other than portfolio companies ("Syncona Group Companies"). Cash held by Syncona Group Companies other than Syncona GP Limited is not shown in Syncona Limited's Condensed Consolidated Statement of Financial Position since it is included within Financial assets at fair value through profit or loss.

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

SYNCONA LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2021

	Notes	Revenue £'000	Capital £'000	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Investment income						
Other income		17,114	–	17,114	12,865	19,934

Total investment income		17,114	–	17,114	12,865	19,934
Net (losses)/gains on financial assets at fair value through profit or loss	5	–	(162,884)	(162,884)	122,823	58,605
Total (losses)/gains		–	(162,884)	(162,884)	122,823	58,605
Expenses						
Charitable donations	6	2,061	–	2,061	2,393	4,710
General expenses		42	–	42	13,376	20,671
Total expenses		2,103	–	2,103	15,769	25,381
(Loss)/profit for the period		15,011	(162,884)	(147,873)	119,919	53,158
Taxation		–	–	–	–	–
(Loss)/profit for the period after tax		15,011	(162,884)	(147,873)	119,919	53,158
(Loss)/earnings per Ordinary Share	9	2.26p	(24.48)p	(22.22)p	18.06p	8.00p
(Loss)/earnings per Diluted Share	9	2.24p	(24.31)p	(22.07)p	17.86p	7.93p

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 (loss)/profit for the period is equivalent to the "total comprehensive profit/(loss)" as defined by International Accounting Standards ("IAS") 1 "Presentation of Financial Statements". There is no other comprehensive profit/(loss) as defined by IFRS.

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

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

SYNCONA LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2021

	Notes	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited 31 March 2021 £'000
ASSETS				
Non-current assets				
Financial assets at fair value through profit or loss	7	1,165,993	1,391,333	1,327,946
Current assets				
Bank and cash deposits		579	548	14
Trade and other receivables		5,522	7,930	10,446
Total assets		1,172,094	1,399,811	1,338,406
LIABILITIES AND EQUITY				
Non-current liabilities				
Share based payments	8	11,658	20,117	23,505
Current liabilities				
Share based payments	8	6,558	9,581	8,836

Payables		1,128	3,363	5,776
Total liabilities		19,344	33,061	38,117
EQUITY				
Share capital	9	767,999	767,999	767,999
Capital reserves		374,263	601,365	537,147
Revenue reserves		10,488	(2,614)	(4,857)
Total equity		1,152,750	1,366,750	1,300,289
Total liabilities and equity		1,172,094	1,399,811	1,338,406
Total net assets attributable to holders of Ordinary Shares		1,152,750	1,366,750	1,300,289
Number of Ordinary Shares in Issue	9	666,733,588	664,580,417	664,580,417
Net assets attributable to holders of Ordinary Shares (per share)	9	£1.73	£2.06	£1.96
Diluted NAV (per share)	9	£1.72	£2.03	£1.94

The unaudited Condensed Consolidated Financial Statements were approved on 10 November 2021.

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

SYNCONA LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES
For the period ended 30 September 2021

	Notes	Share capital £'000	Capital reserves £'000	Revenue reserves £'000	Total £'000
As at 31 March 2020 (audited)		**767,999**	**478,542**	**–**	**1,246,541**
Total comprehensive income for the period		–	122,823	(2,904)	119,919
Transactions with shareholders:					
Share based payments		–	–	290	290
As at 30 September 2020 (unaudited)		**767,999**	**601,365**	**(2,614)**	**1,366,750**
Total comprehensive loss for the period		–	(64,218)	(2,543)	(66,761)
Transactions with shareholders:					
Share based payments		–	–	300	300
As at 31 March 2021 (audited)		**767,999**	**537,147**	**(4,857)**	**1,300,289**
Total comprehensive loss for the period		–	(162,884)	15,011	(147,873)

Transactions with shareholders:				
Share based payments	–	–	334	334
As at 30 September 2021 (unaudited)	**767,999**	**374,263**	**10,488**	**1,152,750**

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

SYNCONA LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 September 2021

	Notes	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Cash flows from operating activities				
(Loss)/profit for the period		(147,873)	119,919	53,158
Adjusted for:				
(Gains)/losses on financial assets at fair value through profit or loss	5	162,884	(122,823)	(58,605)
Movement in share based payment provision		(14,722)	4,262	6,374
Operating cash flows before movements in working capital		289	1,358	927
Decrease/(increase) in other receivables		4,924	1,201	(1,315)
(Decrease)/increase in other payables		(4,648)	(2,028)	385
Net cash generated from/(used in) operating activities		565	531	(3)
Net increase/(decrease) in cash and cash equivalents		565	531	(3)
Cash and cash equivalents at the beginning of the period		14	17	17
Cash and cash equivalents at the end of the period		579	548	14

Cash held by the Company and Syncona Group Companies is disclosed in the Group portfolio statement.

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

SYNCONA LIMITED

CONDENSED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 30 September 2021

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").

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 2021 and shall form the basis of the 2022 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 found, build and fund companies in innovative areas of healthcare, consists of financial information reported at the Group level. The Capital pool is fundamental to the delivery of the Group's strategy and performance is reviewed by the CODM only to the extent this enables the allocation of those resources to support the Group's investment in life science companies. There are no reconciling items between the results contained within this information and amounts reported in the financial statements. IFRS requires operating segments to be identified on the basis of the internal financial reports that are provided to the CODM, and as such the Directors present the results of the Group as a single operating segment.

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 March 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and are in compliance with The Companies (Guernsey) Law 2008. The financial information in these interim accounts was approved by the Board and authorised for issue on 10 November 2021. 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 predominantly of securities and cash amounting to £1,152.8 million (30 September 2020: £1,366.8 million, 31 March 2021: £1,300.3 million) of which 41.23% (30 September 2020: 53.6%, 31 March 2021: 41.89%) are readily realisable within three months in normal market conditions, and liabilities including uncalled commitments to underlying investments and funds amounting to £103.4 million (30 September 2020: £87.1 million, 31 March 2021: £115.5 million).

Given the experience of the past year the Group has concluded that the impact of the COVID-19 pandemic on each investment and the portfolio company will vary with delays in certain programmes of work (expected to be 3 to 6 months in the majority of cases) and potential associated additional capital requirements. This remains consistent with the assessment made at 31 March 2021. The Group has taken account of the COVID-19 pandemic in the valuation of its investments at the period end. Given the Group's capital pool of £534.9 million (30

September 2020: £700.1 million, 31 March 2021: £578.2 million) the Directors consider that the Group has adequate financial resources to continue its operations, including existing commitments to its investments and additional capital requirements identified in the review, for 12 months following the approval of the financial statements. Hence, the Directors believe, having considered the impact of COVID-19, 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 is consolidated in full. The financial statements of the General Partner are prepared in accordance with United Kingdom ("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 2021, 30 September 2020 and 31 March 2021, no such adjustments have been made. All intra-group transactions, balances and expenses are eliminated on consolidation.

Entities that meet the definition of an investment entity under IFRS 10 "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. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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 2021.

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 life science investments, the investment in the CRT Pioneer Fund, the Partnership's private equity investments (legacy funds) 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 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. The Company has analysed the impact of the COVID-19 pandemic on the portfolio companies through a bottom-up review and does not consider that any COVID-19 revaluations are required, however the final impact of the pandemic is not yet certain and may have effects on the portfolio companies that have not been anticipated. Accordingly, the amounts ultimately realised may differ from the fair value and these differences may be material. The accounting policy for all investments is described in note 2 of the Annual Report and Accounts and the fair value of all investments is described in

note 12. Sensitivity to a 25% movement in the valuation of private company investments is included in note 12. The range of 25% (September 2020: 20% March 2021: 18%) identified by management reflects their estimate of the range of reasonably possible valuations over the next financial year, taking into account the position of the portfolio as a whole. Key technical milestones considered by management and that typically trigger value enhancement (or deterioration if not achieved) include the generation of substantial clinical data.

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 (which provides investment related service to the Group), 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 2021 % interest [1]	Unaudited 30 September 2020 % interest [1]	Audited 31 March 2021 % 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.

Indirect interests in subsidiaries

Indirect subsidiaries	Principal place of business	Immediate parent	Principal activity	Unaudited 30 September 2021 % interest [1]	Unaudited 30 September 2020 % interest [1]	Audited 31 March 2021 % 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 Investment Management Limited	United Kingdom	Syncona Holdings Limited	Portfolio management	100%	100%	100%
Forcefield Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Gene therapy	86%	–%	47%
SwanBio Therapeutics Limited	United States	Syncona Portfolio Limited	Gene therapy	76%	83%	76%
Purespring Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Gene therapy	76%	–%	65%
Quell Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Cell therapy	73%	74%	83%
Resolution Therapeutic Limited (formerly Syncona Collaboration (E) Limited)	United Kingdom	Syncona Portfolio Limited	Cell therapy	66%	37%	66%
Gyroscope Therapeutics Holdings plc	United Kingdom	Syncona Portfolio Limited	Gene therapy	59%	81%	59%
Freeline Therapeutics Holdings plc	United Kingdom	Syncona Portfolio Limited	Gene therapy	53%	52%	53%
Omass Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	Small molecule	51%	49%	49%
Anaveon AG	Switzerland	Syncona Portfolio Limited	Biologics	50%	41%	50%

Indirect interests in associates

Indirect associates	Principal place of business	Immediate parent	Principal activity	Unaudited 30 September 2021 % interest [1]	Unaudited 30 September 2020 % interest [1]	Audited 31 March 2021 % interest [1]
Azeria Therapeutics Limited	United Kingdom	Syncona Portfolio Limited	In voluntary liquidation	34%	34%	34%
Autolus Therapeutics plc	United Kingdom	Syncona Portfolio Limited	Cell therapy	27%	27%	28%
Clade Therapeutics Inc	United States	Syncona Portfolio Limited	Cell therapy	20%	–%	–%

Achilles Therapeutics plc (formerly Achilles Therapeutics Limited)	United Kingdom	Syncona Portfolio Limited	Cell therapy	27%	51%	27%

(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 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Net (losses)/gains from:				
The Holding Company	5.a	(154,936)	124,232	60,551
The Partnership	5.b	(7,948)	(1,409)	(1,946)
		(162,884)	122,823	58,605

5.a Movements in the Holding Company:

	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Expenses	(44)	(45)	(89)
Movement in unrealised (losses)/gains on life science investments at fair value through profit or loss	(154,892)	124,277	60,640
Net (losses)/gains on financial assets at fair value through profit or loss	(154,936)	124,232	60,551

5.b Movements in the Partnership:

	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Investment income	11	55	117
Rebates and donations	225	(11)	18
Other income	–	–	53
Expenses	(120)	(141)	(273)
Realised (losses)/gains on financial assets at fair value through profit or loss	(690)	6,235	33,479
Movement in unrealised gains/(losses) on financial assets at fair value through profit or loss	8,818	7,073	(10,740)
Gains/(losses) on foreign currency	922	(1,755)	(4,666)
Gains on financial assets at fair value through profit or loss	9,166	11,456	17,988
Distributions	(17,114)	(12,865)	(19,934)
Net losses on financial assets at fair value through profit or loss	(7,948)	(1,409)	(1,946)

6. CHARITABLE DONATIONS

For the year ended 31 March 2022, 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, 0.15% to be donated to The Institute of Cancer Research and 0.20% to be donated to The Syncona Foundation, and these donations are made by the General Partner. There were no changes in the percentages from 30 September 2020 and 31 March 2021.

During the period, charitable donations expense amounted to £2,060,805 (30 September 2020: £2,392,865, 31 March 2021: £4,710,217). As at 30 September 2021, £2,060,805 (30 September 2020: £2,392,865, 31 March 2021: £4,710,217) remained payable.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited year 31 March 2021 £'000
The Holding Company	7.a	802,273	1,019,129	956,279
The Partnership	7.b	363,720	372,204	371,667
		1,165,993	1,391,333	1,327,946

7.a The net assets of the Holding Company

	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited year 31 March 2021 £'000
Cost of the Holding Company's investment at the start of the period	494,810	493,310	493,310
Purchases during the period	–	1,500	1,500
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	311,928	528,696	465,891
Fair value of the Holding Company's investments at the end of the period	806,738	1,023,506	960,701
Other current liabilities	(4,465)	(4,377)	(4,422)
Financial assets at fair value through profit or loss at the end of the period	802,273	1,019,129	956,279

7.b The net assets of the Partnership

	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited year 31 March 2021 £'000
Cost of the Partnership's investments at the start of the period	418,472	682,750	682,750
Purchases during the period	363,641	677,160	1,075,333
Sales during the period	(344,872)	(810,000)	(1,340,000)
Return of capital	(1,527)	(6,073)	(33,090)
Net realised (losses)/gains on disposals during the period	(690)	6,235	33,479
Cost of the Partnership's investments at the end of the period	435,024	550,072	418,472
Net unrealised gains on investments at the end of the period	44,150	53,145	35,332

Fair value of the Partnership's investments at the end of the period	479,174	603,217	453,804
Cash and cash equivalents	103,872	156,640	189,440
Other net current liabilities	(219,326)	(387,653)	(271,577)
Financial assets at fair value through profit or loss at the end of the period	363,720	372,204	371,667

8. SHARE BASED PAYMENTS

Share based payments are associated with awards of MES in the Holding Company, relevant details of which are set out in note 2 of the Annual Report and Accounts for the year ended 31 March 2021.

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

	Unaudited six months to 30 September 2021 £'000	**Unaudited six months to 30 September 2020 £'000**	**Audited year to 31 March 2021 £'000**
Charge related to revaluation of the liability for cash settled share awards	(5,665)	8,541	10,561
Total	(5,665)	8,541	10,561

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 2021 £'000	**Unaudited 30 September 2020 £'000**	**Audited year 31 March 2021 £'000**
Share based payments - current	6,558	9,581	8,836
Share based payments - non-current	11,658	20,117	23,505
Total	18,216	29,698	32,341

When a participant elects to realise vested MES by sale of the MES to the Company, half of the proceeds (net of anticipated taxes) will be settled in shares of the Company, with the balance settled in cash.

The fair value of MES has been established using an externally developed model, which is consistent with that used as at 31 March 2021. Key inputs described in note 2 of the Annual Report and Accounts have been determined based on internally generated data as at 30 September 2021. 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 2021 was £2,710,500 (30 September 2020: £2,656,000, 31 March 2021: £2,907,000). An award was made on 15 July 2021 at 35p per MES.

The number of MES outstanding are shown below:

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

	2021	2020	2021
Outstanding at the start of the period	43,873,239	41,937,713	41,937,713
Issued	7,744,257	5,400,902	5,902,624
Realised	(7,253,638)	(3,953,906)	(3,953,906)
Lapsed	(1,153,546)	–	(13,192)
Outstanding at the end of the period	43,210,312	43,384,709	43,873,239
Weighted average remaining unvested life of outstanding MES, years	1.57	1.60	1.24
Vested MES at the end of the period	40,761,540	25,051,692	38,502,646
Realisable MES at the end of the period	10,190,406	8,114,801	9,625,668

As at 30 September 2021, if all MES were realised, the number of shares issued in the Company as a result would increase by 4,621,710 (30 September 2020: 7,463,741, 31 March 2021: 6,177,787). The undiluted per share value of net assets attributable to holders of Ordinary Shares would fall from £1.73 to £1.72 if these shares were issued (30 September 2020: £2.06 to £2.03, 31 March 2021: £1.96 to £1.94).

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 2021 £'000	Unaudited 30 September 2020 £'000	Audited 31 March 2021 £'000
Ordinary share capital			
Balance at the start of the period	767,999	767,999	767,999
Scrip dividend shares issued during the period	–	–	–
Balance at the end of the period	767,999	767,999	767,999

	Unaudited 30 September 2021 Shares	Unaudited 30 September 2020 Shares	Audited 31 March 2021 Shares
Ordinary share capital			
Balance at the start of the period	664,580,417	663,665,537	663,665,537
Share based payment shares issued during the period	2,153,171	914,880	914,880
Balance at the end of the period	666,733,588	664,580,417	664,580,417

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 Earnings/(loss) per share

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

	Unaudited six months to	Unaudited six months to	Audited year to 31 March

	30 September 2021	30 September 2020	2021
(Loss)/earnings for the purposes of (loss)/earnings per share	£(147,873,000)	£119,919,000	£53,158,000
Basic weighted average number of shares	665,486,396	664,050,487	664,314,726
Basic revenue earnings/(loss) per share	2.26p	(0.44)p	(0.8)p
Basic capital (loss)/earnings per share	(24.48)p	18.50p	8.8p
Basic (loss)/earnings per share	(22.22)p	18.06p	8.0p
Diluted weighted average number of shares	670,108,106	671,514,228	670,492,513
Diluted revenue earnings/(loss) per share	2.24p	(0.43)p	(0.8)p
Diluted capital (loss)/earnings per share	(24.31)p	18.30p	8.7p
Diluted (loss)/earnings per share	(22.07)p	17.86p	7.9p

9.d NAV per share

	Unaudited 30 September 2021	Unaudited 30 September 2020	Audited 31 March 2021
Net assets for the purposes of NAV per share	£1,152,750,142	£1,366,749,584	£1,300,287,998
Ordinary Shares in issue	666,733,588	664,580,417	664,580,417
NAV per share	172.9	205.7p	195.7p
Diluted number of shares	671,355,298	672,044,158	670,758,204
Diluted NAV per share	171.7	203.4p	193.9p

10. DISTRIBUTION TO SHAREHOLDERS

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

During the period ended 30 September 2021, the Company did not declare or pay a dividend (30 September 2020: nil, 31 March 2021: nil).

11. RELATED PARTY TRANSACTIONS

The Group has various related parties: life sciences investments held by the Holding Company, the Investment Manager, the Company's Directors and The Syncona Foundation.

Life science investments
The Group makes equity investments in some life science investments where it retains control. The Group has taken advantage of the investment entity exception as permitted by IFRS 10 and has not consolidated these investments, but does consider them to be related parties. 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 with control was £39,668,846 (30 September 2020: £55,501,037, 31 March 2021: £145,075,244).

The Group makes other equity investments where it does not have control but may have significant influence through its ability to participate in the financial and operating policies of these companies, therefore the Group considers them to be related parties. The total amounts included for investments where the Group has significant influence are set out below:

During the period, the total amount invested in life science investments with significant influence was £10,835,801 (30 September 2020: £11,384,489, 31 March 2021: £29,767,748).

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 £105,464 (30 September 2020: £77,668, 31 March 2021: £188,965) in relation to Director's fees and other fees of £184,450 (30 September 2020: £nil, 31 March 2021: £116,854).

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

For the period ended 30 September 2021 SIML was entitled to receive an annual fee of up to 1.05% (30 September 2020: 1.05%, 31 March 2021: 1.05%) of the Company's NAV at the previous year end per annum.

	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Amounts paid to SIML	5,223	4,029	8,177

During the period, SIML received fees from portfolio companies of £259,914 (30 September 2020: £77,668, 31 March 2021: £305,819).

Company Directors
At the period end, the Company had seven Directors, all of whom served in a Non-Executive capacity. The Directors Nicholas Moss and Rob Hutchinson also serve as Directors of the General Partner.

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

Nigel Keen is Chairman of the Investment Manager and receives a fee of £136,764 per annum (30 September 2020: £132,205, 31 March 2021: £133,430), payable by the Investment Manager, in respect of his services to the Investment Manager.

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 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Directors' remuneration for the period	210	235	386
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 amount donated to The Syncona Foundation during the period ended 30 September 2021 was £2,091,553 (30 September 2020: £2,632,809, 31 March 2021: £2,632,809).

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 2021, 30 September 2020 and 31 March 2021:

30 September 2021 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	–	–	802,273	802,273
The Partnership	–	–	363,720	363,720
Total assets	–	–	1,165,993	1,165,993

30 September 2020 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	–	–	1,019,129	1,019,129
The Partnership	–	–	372,204	372,204
Total assets	–	–	1,391,333	1,391,333

31 March 2021 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	–	–	956,279	956,279
The Partnership	–	–	371,667	371,667
Total assets	–	–	1,327,946	1,327,946

The investments in the Holding Company and the Partnership are classified as Level 3 investments due to the use of the unadjusted net asset value 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 following table presents the Holding Company's investments by level within the valuation hierarchy as at 30 September 2021, 30 September 2020 and 31 March 2021:

Asset type	Level	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited 31 March 2021 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
Listed investments	1	212,344	379,457	387,514	Publicly available share price as at balance sheet date	n/a	n/a
Calibrated price of recent investment ("PRI") [(1)]	3	369,991	249,818	296,497	Calibrated PRI	The main unobservable input is the quantification of the progress investments make against internal financing and/or corporate milestones where appropriate. A reasonable shift in the Fair Value of the investment would be +/-25%.	+/- £92,498
SIML	3	5,794	5,721	5,752	Unadjusted net assets of SIML	Carrying value of assets and liabilities determined in accordance with generally accepted accounting principles, without adjustment.	+/- £288

[(1)] Valuation made by reference to price of recent funding round, which may be equal to cost, unadjusted following adequate consideration of current facts and circumstances.

During the period, there were no movements from Level 1 to Level 2 (30 September 2020: nil, 31 March 2021: nil). During the period, there were no movements from Level 3 to Level 1 (30 September 2020: £150,722,983, 31 March 2021: £150,722,983 and £94,772,653).

The following table presents the movements in Level 3 investments of the Holding Company for the period ended 30 September 2021:

	Life science investments £'000	SIML £'000	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Opening balance	298,052	5,752	303,804	363,476	363,476
Transfer (from)/to Level 3	–	–	–	(150,723)	(245,496)
Purchases	50,455	–	50,455	49,743	151,014
Sales	–	–	–	–	(3,017)
Gains on financial assets at fair value through profit or loss	21,485	41	21,526	(5,402)	37,827
Closing balance	369,992	5,793	375,785	257,094	303,804

The net gain 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 £21,526,000 (30 September 2020: £52,149,874 gain, 31 March 2021: £37,827,000 gain).

The following table presents the Partnership's investments by level within the valuation hierarchy as at 30 September 2021, 30 September 2020 and 31 March 2021:

	Level	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited 31 March 2021 £'000	Valuation technique	Significant unobservable inputs	Impact on valuation £'000
UK treasury bills	1	362,865	479,999	344,862	Publicly available price at balance sheet date	n/a	n/a
Legacy funds – Unlisted fund investments	2	26,643	26,356	26,098	Valuation produced by fund administrator. Inputs into fund components are from observable inputs	n/a	n/a
Legacy funds – Long-term unlisted investments	3	50,427	61,101	46,268	Valuation produced by fund administrator	The main unobservable input include the assessment of the performance of the underlying fund by the fund administrator. A reasonable possible shift in the Fair Value of the instruments would be +/-10%.	+/- £5,043
CRT Pioneer Fund	3	35,523	35,761	36,576	Valuation produced by fund administrator and adjusted by management	Unobservable inputs include the fund managers assessment of the performance of the underlying investments and adjustments made to this assessment to generate the deemed fair value. A reasonable possible	+/- £3,552

						shift in the Fair Value of the instruments would be +/-23%.	

During the period ending 30 September 2021, there were no movements from Level 1 to Level 2 (30 September 2020: nil, 31 March 2021: nil).

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 Limited Partnership's administrator. The Group does not have transparency over the inputs of this valuation.

The following table presents the movements in Level 3 investments of the Partnership for the six months to 30 September 2021, the six months to 30 September 2020 and the year to 31 March 2021:

	CRT Pioneer Fund £'000	Capital pool investment £'000	Unaudited six months to 30 September 2021 £'000	Unaudited six months to 30 September 2020 £'000	Audited year to 31 March 2021 £'000
Opening balance	36,575	46,269	82,844	92,980	92,980
Purchases	542	445	987	2,372	5,748
Return of capital	(1,594)	–	(1,594)	(6,073)	(34,491)
(Losses)/gains on financial assets at fair value through profit or loss	–	7,429	7,429	7,583	18,607
Closing balance	35,523	54,143	89,666	96,862	82,844

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 £7,429,000 (30 September 2020: £7,583,968 gain, 31 March 2021: £18,607,213 gain).

13. COMMITMENTS AND CONTINGENCIES

The Group had the following commitments as at 30 September 2021, 30 September 2020 and 31 March 2021:

	Unaudited 30 September 2021 £'000	Unaudited 30 September 2020 £'000	Audited year 31 March 2021 £'000
Life science portfolio			
Milestone payments to life science companies	96,162	76,233	106,854
CRT Pioneer Fund	4,521	6,948	4,888
Capital pool investment	2,760	3,959	3,751
Total	103,443	87,140	115,493

There were no contingent liabilities as at 30 September 2021 (30 September 2020: nil, 31 March 2021: nil). The commitments are expected to fall due in the next 36 months.

14. SUBSEQUENT EVENTS

These Condensed Consolidated Financial Statements were approved for issuance by the Board on 10 November 2021.

On 5 October 2021, SIML incorporated a 100% owned subsidiary, SIML Switzerland AG.

GLOSSARY

Company	**Syncona Limited**
Capital pool/Capital base	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 treasury bills and legacy fixed term funds.
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.
General Partner	Syncona GP Limited.
Group	Syncona Limited and Syncona GP Limited are collectively referred to as the "Group".
Holding Company	Syncona Holdings Limited.
Investment Manager	Syncona Investment Management Limited.
IRR	Internal Rate of Return.
Life science portfolio	The underlying investments in this segment are those whose activities focus on actively developing products to deliver transformational treatments to patients.
	Gross Life Science portfolio return for 30 September 2021: (21.3) per cent; 30 September 2020, 24.8 per cent; 31 March 2021: 11.8 per cent.
Life science portfolio return	This is calculated as the valuation change including FX movement as a % of the opening Life Science portfolio value.

Life Science Portfolio Return Calculation	
A Opening Life Science Portfolio	722.14
B Net deployed capital	49.18
C Valuation movement	(153.46)
D Closing Life Science Portfolio	617.86
Life science portfolio total return (C/A)	(21.3%)

MES	Management Equity Shares.
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	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 expressed as pence per share. NAV takes account of dividends payable on the ex-dividend date.

NAV total return	NAV total return ("NAVTR") is the measure of how the net asset value 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 the shareholders in the year.

NAVTR calculation	
Opening NAV per fully diluted share (note 9)	193.9
Closing NAV per fully diluted share (note 9)	171.7
Movement	(22.2)
Dividend paid in the period (note 10)	–
Total movement	(22.2)
Total movement/opening NAV per fully diluted share	(11.4)%

Partnership	Syncona Investments LP Incorporated.
Return	A Simple Rate of Return is the method used for return calculations.
SIML	Syncona Investment Management Limited.
Syncona Group Companies	The Company and its subsidiaries other than those companies within the life science portfolio.
The Syncona Foundation	The Foundation distributes funds to a range of charities, principally those involved in the areas of life science and health care.
Total Shareholder Return	Movement in share price plus dividends.