

4basebio plc
 ("4basebio", the "Company" or the "Group")

Final Results, Notice of AGM and Related Party Transaction

The Board of 4basebio plc is pleased to report the results for the financial year ended 31 December 2022.

The annual report and accounts together with a notice of the Company's annual general meeting, which is to be held on 14 June 2023 at 9:00am in the offices of 4basebio plc are expected to be uploaded to the Company's website and posted to shareholders shortly.

The annual general meeting will be followed by a presentation from the Company through the Investor Meet Company platform on 16 June 2023 at 10am. Investors can sign up to Investor Meet Company for free and register interest here: <https://www.investormeetcompany.com/4basebio-plc/register-investor>.

The Company further advises that, on 10 May 2023, it amended the terms of its loan facility with 2Invest AG, a significant shareholder, which it entered into on 2 November 2020. Further details of the related party transaction are included below.

- First commercial revenues from DNA
- First commercial revenues from Hermes™ non-viral vectors
- Clean rooms for manufacture of GMP DNA commissioned
- Six novel patent filings between January 2022 and February 2023
- Continued growth with headcount increasing to 61 staff from 33 at the beginning of the year

4basebio plc is a Cambridge UK based AIM-quoted holding and service company for the 4basebio group of companies ("the Group"), which includes manufacturing and research and development subsidiaries across Cambridge, UK and Madrid, Spain.

4basebio is engaged in the research and development, manufacture and commercialisation of synthetic DNA and RNA products and targeted non-viral vector solutions. With its first revenues from these activities during 2022, the Group is now focussed on the scaling of its commercial activities across a range of gene therapy and vaccine applications, with a particular focus on mRNA and AAV markets.

The Group is able to offer its customers application specific solutions; it also continues to invest in research and development activities to further develop its technology platforms and expand its product offering.

Dr Heikki Lanckriet, CEO and CSO for 4basebio, said: "2022 has been a very exciting year for 4basebio, with the first commercial revenues from its synthetic DNA and Hermes™ platforms, completion of its manufacturing clean rooms, filing of fresh intellectual property and the overall growth in size and capabilities of the group. The group will continue to develop its platforms and is now also focussed on its commercial development with increasing revenue a key objective."

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Chairman's statement

Performance

During the course of 2022, 4basebio made significant progress in the commercialisation of its platform technologies and the strengthening of the Group's research and development, manufacturing and business development capabilities.

4basebio secured commercial validation of its technologies through first revenues of both its synthetic DNA and Hermes™ non-viral vectors, an important step on which it continues to build.

Alongside that, the Group commissioned its manufacturing clean rooms, offering seven manufacturing suites with an overall capacity of three hundred customer batches per year, and able to manufacture at GMP grade (“good manufacturing practice”).

The continued commercial development of the business is naturally a key objective. Alongside this, the Board considers there to be significant intrinsic value in the Group’s intellectual property and it remains a key focus with continued investment in its platforms. To that end, six new patent applications were filed during between January 2022 and February 2023, with further filings expected in 2023. The Group also appointed a Director of Intellectual Property to focus on this aspect.

With the objectives outlined above, the Group continued to invest during 2022 with a resultant net loss for the year of £5.2 million. As in 2021, recruitment was a key priority both in research and development and manufacturing teams and with overall headcount of 61 at year end. The Group continues to recruit into roles within commercial, research and development and manufacturing.

4basebio will be loss making during 2023 and the Group will utilise its loan facility with 2Invest AG, a major shareholder and former parent company, to fund activities. Immediately, prior to year end, 4basebio drew down an initial €2million from this loan facility and it will continue to draw down further tranches in 2023.

Strategy

4basebio’s principal objective is to become a leading provider of synthetic DNA and RNA products and non-viral delivery technology for the cell and gene therapy and vaccines markets. In order to achieve this, the Group is focussed on differentiating its product and technology solutions from existing alternatives.

This differentiation is achieved by developing novel, highly flexible and widely applicable platform technologies which in turn provide optimised products and solutions for individual customers.

4basebio’s payload and delivery platform technologies are synergistic and enable offering of integrated services to customers, as appropriate, by incorporation of client specific nucleic acid payloads in delivery solutions tailored to client needs. Consequently, the Group offers a wide range of solutions for customers depending on their application needs. 4basebio seeks to establish early development stage relationships with its customers. The Group anticipates that early revenues will be derived from selling research grade and HQ grade synthetic DNA products used in early stage therapy discovery and preclinical development.

As customers progress their programs into the clinic, larger quantities of the higher quality standard 'GMP product will be required and in due course, 4basebio expects this will lead to significant GMP manufacturing batches. The Group is therefore focussed on engaging with as many potential customers as possible, recognising there may be a degree of attrition as individual clients may be unable to progress their clinical development program.

Share Price

Consistent with 2021, the share price experienced some volatility during the year. The directors believe this in part reflects the modest trading volumes which consequently can have a relatively large impact on the price. During the course of the year about 4% of shares in issue changed hands, with a typical daily trading volume of 2,000 shares.

At year end, approximately 68% of the Company’s shares were closely held between the Company’s two largest shareholders and Board directors. The Board believes that a significant portion of the remaining shares is owned by long term shareholders.

The share price opened the year at 615p, before it softened in the middle of the year, reaching a closing price of 460p. From there it increased to 710p at year end. The Board recognises that an increase in liquidity is desirable and continues to consider how this might be achieved.

People and Culture

4basebio places great emphasis on creating a positive and supportive workplace centred around its people and the science. Currently, over 75% of 4basebio’s workforce hold scientific degrees, with a third holding PhDs. This fosters an environment focussed on problem solving, innovation and progress.

On behalf of the Board, I would like to extend our thanks to the whole team for their dedication over the past year.

Tim McCarthy
Chairman

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2022

[in £ 000]

2022

2021

Revenues	268	338
Cost of goods sold	(29)	(69)
Gross profit	239	269
Sales and marketing expenses	(245)	(132)
Administration expenses	(2,711)	(1,725)
Operation expenses	(928)	0
Research and non-capitalised development expenses	(2,081)	(1,622)
Other operating expenses	(181)	(400)
Other operating income	67	83
Loss from operations	(5,840)	(3,527)
Finance expense	(89)	(113)
Financial result	(89)	(113)
Loss before tax	(5,929)	(3,640)
Income tax income / (expense)	779	405
Loss for the year	(5,150)	(3,235)
Items that may be reclassified to the income statement in subsequent periods		
Exchange differences on translation of foreign operations	447	(608)
Total comprehensive income	(4,703)	(3,843)
Loss per share		
Basic and diluted (in £/share)	(0.42)	(0.26)

All of the loss for the year is from continuing operations.

Consolidated statement of financial position

31 December 2022

[in £ 000]	2022	2021
Assets		
Intangible assets	2,124	1,271
Property, plant and equipment	3,633	2,759
Other non-current assets	35	30
Non-current assets	5,792	4,060
Inventories	133	156
Trade receivables	54	46
Other current assets	1,359	854
Cash and cash equivalents	4,351	9,586
Current assets	5,897	10,642
Total assets	11,689	14,702

Liabilities

Financial liabilities	(415)	(432)
Trade payables	(490)	(353)
Other current liabilities	(613)	(738)
Current liabilities	(1,518)	(1,523)
Financial liabilities	(2,935)	(1,326)
Other liabilities	(116)	(158)
Non-current liabilities	(3,051)	(1,484)
Total liabilities	(4,569)	(3,007)
Net assets	7,120	11,695
Share capital	11,130	11,130
Share premium	706	706
Merger reserve	688	688
Capital reserve	13,307	13,179
Foreign exchange reserve	14	(433)
Profit and loss reserve	(18,725)	(13,575)
Total Equity	7,120	11,695

Consolidated statement of changes in equity
for the year ended 31 December 2022

[in £ 000]	Share capital	Share premium	Merger reserve	Capital reserve	Foreign exchange reserve	Profit and loss reserve	Total equity
Balance at 1 January 2022	11,130	706	688	13,179	(433)	(13,575)	11,695
Loss for the year	-	-	-	-	-	(5,150)	(5,150)
Foreign Exchange difference arising on translation of 4basebio S.L.U.	-	-	-	-	447	-	447
Share based payments	-	-	-	128	-	-	128
Balance at 31 December 2022	11,130	706	688	13,307	14	(18,725)	7,120

[in £ 000]	Share capital	Share premium	Merger reserve	Capital reserve	Foreign exchange	Profit and loss reserve	Total equity
Balance at 1 January 2021	11,130	706	688	13,099	175	(10,340)	15,458
Loss for the year	-	-	-	-	-	(3,235)	(3,235)
Foreign Exchange difference arising on translation of 4basebio S.L.U.	-	-	-	-	(608)	-	(608)
Share based payments	-	-	-	80	-	-	80

Balance at 31 December 2021	11,130	706	688	13,179	(433)	(13,575)	11,695
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Consolidated statement of cash flows
for the year ended 31 December 2022

[in £ 000]	2022	2021
Net loss for the period	(5,150)	(3,235)
<i>Adjustments to reconcile net loss for the period to net cashflows</i>		
Income taxes	(779)	(405)
Interest charge	89	113
Depreciation of property, plant and equipment	404	242
Amortisation and impairment of intangible assets	27	78
Other non-cash items	136	12
Working capital changes:		
(Increase)/decrease in trade receivables and other current assets	140	(126)
Increase/(decrease) in trade payables and other current liabilities	(2)	615
(Increase)/decrease in inventories	30	(34)
Tax receipt	401	-
Net Cash flows from operating activities	(4,704)	(2,740)
Investments in property, plant and equipment	(1,155)	(884)
Investments in capitalised development and intangible assets	(786)	(628)
Cash flows from investing activities	(1,941)	(1,512)
Net receipt/(payment) of loans	1,412	(331)
Interest paid	(93)	(76)
Capital lease payments	(75)	(60)
Cash flows from financing activities	1,244	(467)
Net change in cash and cash equivalents	(5,401)	(4,719)
Exchange differences	166	(696)
Cash and cash equivalents at the beginning of the period	9,586	15,001
Cash and cash equivalents at the end of the period	4,351	9,586

Notes to the financial statements

1. General

4basebio plc (the “Company” or “4basebio”) is registered in England and Wales with company number 13519889.

The Company is domiciled in England and the registered office of the Company is 25 Norman Way, Over, Cambridge CB24 5QE. 4basebio plc is the parent of a group of companies (together, “the Group”). The Group focusses on life sciences and in particular the development of synthetic DNA and nanoparticles suitable for inclusion in, or delivery of, therapeutic payloads for gene therapies and gene vaccines.

The Company trades on London Stock Exchange s AIM market, having been admitted on 17 February 2021. The international securities number (ISIN) number for its AIM traded shares is GB00BMCLYF79; its ticker symbol is 4bb.l.

The consolidated financial statements of 4basebio plc and its subsidiaries for the year ended 31 December 2022 were authorised for issue in

accordance with a resolution of the directors on 10 May 2023.

2. Basis of preparation

The consolidated financial statements of 4basebio UK plc (or “the Group”) for the financial year ending 31 December 2022 have been prepared using UK adopted international accounting standards.

The consolidated financial statements for 2022 and 2021 comprise the results of 4basebio plc, 4basebio S.L.U., 4basebio UK Limited and 4basebio Discovery Limited for the whole year.

The above summary has been extracted from the report and financial statements and, accordingly, references to notes and page numbers may be incorrect. Shareholders are advised to read the full version of the report and financial statements which will be available from the Company's website.

3. Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation, taking into account the unutilised existing loan facility with 2Invest AG, a shareholder in 4basebio plc, referred to in note 22, that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

4. Earnings per share

	2022	2021
Numerator [in £ 000]		
Result for the period	(5,150)	(3,235)
Denominator [number of shares]		
Weighted average number of registered shares in circulation (ordinary shares) for calculating the undiluted earnings per share	12,317,473	12,317,473
Basic and diluted earnings per share	(0.42)	(0.26)

The calculation of the basic and diluted earnings per share for continuing operations was based on the weighted average number of shares as determined above. The numerator is defined as result after tax from continuing operations. The average number of share options outstanding during the period was 642,878 (2021: 522,860) which have not been included in the calculation of the diluted Earnings per share because they would be anti-dilutive since the business is loss making.

5. Approval of the financial statements

The financial statements were approved by the Board of directors and authorised for issue on 10 May 2022.

Related Party Transaction

On 2 November 2020, the Company entered into a loan agreement with 2Invest AG (“2Invest”) (formerly 4bb AG) pursuant to which the Company could draw down up to €25 million at any time prior to 31 October 2026. Details of the loan agreement are included in the Company's admission document published on 12 February 2021.

On 10 May 2023, the loan facility was amended by reducing the available facility by €2 million in consideration for extending the repayment date. As a result, the loan facility with 2Invest, which is denominated in Euros, is now for up to €23 million which can be drawn, with notice, at the discretion of 4basebio plc until 31 October 2026. Interest is charged at 5% per annum on all loan amounts outstanding and compounds annually on all loan tranches outstanding. The capital and interest are now due to be repaid in a single payment on 31 October 2028. Early repayment is permitted. No other fees are due under this facility.

As a result of 2Invest being a significant shareholder, the amendment of this agreement constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. With the exception of Hansjörg Plaggemars, a director of the Company and 2Invest, the directors of the Company, having consulted with the Company's Nominated Adviser, Cairn Financial Advisers LLP, consider the terms of the Transaction to be fair and reasonable insofar as the Company's shareholders are concerned.