

The following amendment has been made to the publication of Preliminary results for the year ended 31 Dec 2023 released on 29/04/24 at 7:00am under 3138M.

There was a typographical error in the currency denomination (denoting GBP £ rather than USD \$) for the business development pipeline, which appears on pages 1 and 8. The text should read as "from \$291 million to \$438 million".

All other details remain unchanged.

The full amended text is shown below.

OXFORD BIOMEDICA PLC
Preliminary results for the year ended 31 December 2023

**ONE OXB: BUILDING A PURE-PLAY CELL AND GENE THERAPY CDMO;
EXISTING FINANCIAL GUIDANCE AFFIRMED**

- *Chief Executive Officer Dr. Frank Mathias, one year into his role, is successfully leading the transformation of OXB into a global, pure-play, quality and innovation-led cell and gene therapy CDMO*
- *"One OXB" strategy well underway, optimising operations across the UK, US and EU with a streamlined workforce and site-based model*
- *Over 50% growth in both orders and pipeline in 2023:*
 - *An increase of 54% in contracted value of client orders signed; grew from £85 million in 2022 (excluding COVID-19 vaccine manufacturing) to £131 million in 2023*
 - *An increase of 51% in the business development pipeline; from \$291 million to \$438 million from January to December 2023*
- *Significant commercial momentum with strong demand for OXB's CDMO services across all key viral vector types, with an expanded client portfolio including 35 clients and 51 programmes as of April 2024 (April 2023: 18 clients and 34 programmes), now includes new clients gained through Oxford Biomedica (France)*
- *Acquisition of ABL Europe (recently renamed Oxford Biomedica (France)) from Institut Mérieux, completed post-period end, enhances OXB's bioprocessing and manufacturing footprint in the EU, strengthening the Group's multi-vector, multi-site model spanning the UK, US and the EU*
- *Reiterates its existing financial guidance communicated to the market*
- *Briefing and webcast for analysts to be held today at 13:00 BST / 08:00 ET - see details below*

Oxford, UK - 29 April 2024: Oxford Biomedica plc ("Oxford Biomedica" or "the Group") (LSE: OXB), a quality and innovation-led cell and gene therapy CDMO, today announces its preliminary results for the year ended 31 December 2023.

Dr. Frank Mathias, Oxford Biomedica's Chief Executive Officer, said: "2023 was a year of transformation for Oxford Biomedica. We are building our position as a global pure-play cell and gene therapy CDMO and through our 'One OXB' strategy are unifying our operations in the UK, US and the EU, including our newly-acquired sites in France.

I am delighted with the positive outcomes of our strategy, which have already resulted in a substantial increase in contracted client orders and our business development pipeline. Despite challenging market conditions, we continue to see strong demand for our CDMO services, further solidifying our position as a world-leading global CDMO in the rapidly expanding cell and gene therapy market.

Our focus in 2024 remains on growing our global portfolio of clients and projects across all stages of clinical development whilst completing the integration of our sites. This integration will allow us to better align to the demands of performing as a pure-play CDMO. With a highly experienced Corporate Executive Team and a focus on delivering high-quality CDMO services to our clients, our realigned business is well-positioned to help our clients deliver their transformative treatments to patients and drive long-term sustainable growth for the Group.

"I would also like to take this opportunity to express my gratitude to all our employees for their tireless efforts, as well as their perseverance and commitment during a period of significant change for the Group. Their dedication and hard work have been instrumental in our transformation into a pure-play CDMO and achieving the significant milestones along the way."

FINANCIAL HIGHLIGHTS (including post-period events)

- Stable core business revenues:
 - Small increase in core business revenues whilst total revenues decreased by 36% to £89.5 million (2022: £140.0 million) due to the non-recurrence of vaccine manufacturing revenues
- Rebased business with streamlined cost base
 - Operating EBITDA¹ loss of £(52.8) million (2022: £1.6 million)
 - Operating loss of £(184.2) million (2022: £(30.2) million) included £99.3 million impairment charge to the US business driven by the cessation of revenues from Homology
 - Completed c.£30 million reduction in ongoing cost base (on an annualised basis compared to 2023)
 - Due to the decision by Homology to cease clinical activities, the Group performed an impairment assessment of OXB (US) LLC, resulting in an impairment of £99.3 million (2022: £nil).
- Balance sheet sufficient to achieve strategic objectives
 - Cash of £103.7 million at 31 December 2023 (2022: £141.3 million); Net cash at 31 December 2023 was £65.2 million (2022: £101.5 million)
- Commercial KPIs give confidence in future growth
 - Contracted value of client orders signed in the year ended 31 December 2023 was £131 million, an increase of over 50% compared to £85 million in 2022
 - Revenue backlog² (including France) at 31 March 2024 stood at £104 million, a growth of 11% from £94 million at 31 December 2023 (excludes order from recently signed commercial agreement); this is the amount of future revenue available to earn from current orders

OUTLOOK AND FINANCIAL GUIDANCE

- The Group reiterates its existing near term and medium-term financial guidance communicated to the market:
 - 2024 total Group revenues of between £126 million and £134 million, with a three-year revenue CAGR of more than 35% for 2023-2026
 - Broadly breakeven EBITDA in 2024, excluding the impact of the acquisition of ABL Europe (recently renamed Oxford Biomedica (France))
 - A modest operating loss in 2024 is expected due to the recently acquired sites in France, which will be fully funded by the €10 million cash funding in ABL Europe (recently renamed Oxford Biomedica (France)) from Institut Mérieux as part of the acquisition
 - The Group expects to achieve Operating EBITDA margins in excess of 20% by the end of 2026, and to be profitable on an EBITDA level in 2025.

¹ Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.

² Revenue backlog represents ordered CDMO revenues available to earn. The value of customer orders included in revenue backlog only includes the value of work for which the customer has signed a financial commitment for OXB to undertake, whereby any changes to agreed values will be subject to either change orders or cancellation fees.

ANALYST BRIEFING

Oxford Biomedica's management team, led by CEO, Dr. Frank Mathias, CFO, Stuart Paynter, COO, Dr. Sebastien Ribault and COO, Thierry Coumez, will be hosting a briefing and Q&A session for analysts at 13:00 BST / 8:00 EST today, 29 April, at One Moorgate Place Chartered Accountants Hall, 1 Moorgate Pl, London EC2R 6EA, United Kingdom.

A live webcast of the presentation will be available via [this link](#). The presentation will be available on Oxford Biomedica's website at www.oxb.com

If you would like to dial into the call and ask a question during the live Q&A, please email Oxfordbiomedica@consilium-comms.com

Notes

Unless otherwise defined, terms used in this announcement shall have the same meaning as those used in the Annual report and accounts.

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ABOUT OXFORD BIOMEDICA

Oxford Biomedica (LSE: OXB) is a quality and innovation-led cell and gene therapy CDMO with a mission to enable its clients to deliver life changing therapies to patients around the world.

One of the original pioneers in cell and gene therapy, the Company has more than 25 years of experience in viral vectors; the driving force behind the majority of gene therapies. The Company collaborates with some of the world's most innovative pharmaceutical and biotechnology companies, providing viral vector development and manufacturing expertise in lentivirus, adeno-associated virus (AAV), adenoviral vectors, and other viral vector types. Oxford Biomedica's world-class capabilities span from early-stage development to commercialisation. These capabilities are supported by robust quality-assurance systems, analytical methods and depth of regulatory expertise.

Oxford Biomedica, a FTSE4Good constituent, is headquartered in Oxford, UK. It has bioprocessing and manufacturing facilities across Oxfordshire, UK, Lyon and Strasbourg, France, and near Boston, MA, US. Learn more at www.oxb.com, and follow us on [LinkedIn](#) and [YouTube](#).

CHAIR'S STATEMENT

In 2023, Oxford Biomedica made significant advancements to become a leading pure-play cell and gene therapy CDMO. In the year, our efforts were concentrated on establishing global leadership in developing and manufacturing high-quality viral vectors for cell and gene therapy and achieving strong sustainable growth to provide attractive returns for shareholders.

Under the stewardship of our new CEO, Dr. Frank Mathias, we initiated a strategic reset which involved a comprehensive realignment of the business, together with significant restructuring of our business operations and streamlining of our cost base. This has enabled us to be optimally positioned to focus on serving our clients and facilitate the delivery of life-changing cell and gene therapies to patients.

Whilst 2023 was a challenging year for the Group with an impairment to the US business as a result of the termination of revenues from Homology Medicines Inc. (Homology), and financial performance impacted by the non-recurrence of COVID-19 vaccine bioprocessing volumes, the repositioning of our business has provided a clear pathway to profitability which is reflected in our medium-term financial guidance.

Building a world-leading cell and gene therapy CDMO

Dr. Frank Mathias who assumed the role of CEO in March 2023 has been instrumental in guiding OXB towards its goal of becoming a global pure-play quality and innovation-led CDMO. Under his leadership, we have implemented necessary restructuring to exit all non-CDMO activities and have strengthened our operations in the UK, the US and the EU through the acquisition of ABL Europe SAS (ABL Europe) from Institut Mérieux which completed on 29 January 2024. We have also significantly expanded our commercial capabilities, increasing business development activities to open up potential revenue opportunities. The acquisition of ABL Europe (recently renamed Oxford Biomedica (France) SAS or Oxford Biomedica (France)), completed post period-end, provided us not only with a bioprocessing and manufacturing footprint in the EU, but also increased our capacity for process and analytical development, enabling OXB to unleash growth. With a multi-vector multi-site model spanning the UK, the US and the EU, we are uniquely positioned to build a world-leading cell and gene therapy CDMO.

Oxford Biomedica's market opportunity in a rapidly growing sector

Building on our strategic advancements and the establishment of a robust infrastructure, Oxford Biomedica is harnessing the anticipated surge in demand from the rapidly growing cell and gene therapy sector. This sector is characterised by a growing number of approvals, late-stage trials, and a pipeline of therapies in development, all of which indicate significant progress in the advancement of cell and gene therapy candidates. Specifically in 2023, the pipeline of cell and gene therapy candidates in development reached nearly 2,100, up from 1,321 in 2010. By the end of 2023, 30 gene therapies had been approved globally, compared to 24 at the end of 2022. (Source: ASGCT, 2023; ASGCT, 2022).

Leveraging the promising market landscape, we have now strategically positioned ourselves to align to our clients' needs, including both biotech and large biopharma companies, with end-to-end process development and manufacturing solutions. Our well-resourced commercial team, with a viral vector-agnostic approach, has already achieved significant success in building commercial momentum and with our repositioned offering. Our orders grew by more than 50% during 2023 (excluding COVID-19 vaccine manufacturing), with a robust growing business pipeline across all key vector types and clinical stages.

Furthermore, in our pursuit of transparency and operational excellence, we have developed a new set of Key Performance Indicators (KPIs). These KPIs will help focus our efforts as a leading CDMO and also allow the financial markets to be able to track our commercial and future revenue progress from 2024 onwards.

Our governance and commitment to ethical operations

In the past year, we have continued to strengthen our Board and the Corporate Executive Team (CET - previously known as the Senior Executive Team (SET) until November 2023) to align with the repositioned business strategy whilst continuing to increase diversity. After CEO Dr. Frank Mathias was appointed as an Executive Director in March 2023, Leone Patterson joined the Board as an independent Non-Executive Director in May 2023. Meanwhile, biopharma veteran, Dr. Sam Rasty left the Board in June 2023, and I would like to express my gratitude for his service to OXB. As part of our annual Board performance review, our Senior Independent Director, on behalf of the Nomination Committee, initiated an in-depth skills review to fit the new pure-play CDMO strategy.

Post period-end, we announced the decision to streamline the Board and bolster its CDMO expertise, as part of our transformation into a pure-play CDMO. Peter Soelkner joined the Board as an independent Non-Executive Director in March 2024, bringing an impressive track record from a leading global non-competing CDMO. Having played a defining role in shaping OXB's new strategy, Catherine Moukheibir and Dr. Michael Hayden will not be standing for re-election

at the forthcoming Annual General Meeting in June 2024. We thank them both for their impeccable service and contribution to the business. Dr Michael Hayden will remain an advisor to the Science and Technology Advisory Committee.

OXB remains dedicated to ethical and socially responsible operations. Our mission to facilitate the delivery of life-changing therapies is deeply embedded in our business focus and practices, and we are proud of our inclusion in the FTSE4Good index. In 2024, our sustainability strategy will be reviewed to reflect OXB's strategic reset as a pure-play CDMO to ensure that we continue to take a responsible and sustainable approach to managing our people, engaging with our communities, protecting the environment and governing our operations.

The future of Oxford Biomedica

While we had to take the difficult decision to reorganise our workforce during 2023, looking ahead, I am highly optimistic about our future success as a business, driven by our strategic focus on integration as "One OXB". With a highly skilled team in place, we are well-positioned to succeed as a global, client-centric cell and gene therapy CDMO. The current drivers in the cell and gene therapy market align perfectly with our strategy, and we are already seeing the positive effects of this, particularly with the progress of our client portfolio and robust business development activity. Oxford Biomedica's commitment to transforming lives through cell and gene therapy remains unwavering. I would like to thank all of our shareholders for their continued support and welcome our new shareholders such as Institut Mérieux. Finally, a huge thank you to all of our staff for their hard work and contributions to OXB, as well as their ability to embrace change, both now and in the future.

Dr. Roch Doliveux

Chair

CHIEF EXECUTIVE OFFICER'S AND 2023 PERFORMANCE REVIEW

2023 was a year of strategic transformation for our Group, set against a backdrop of unfavourable economic conditions globally. We took important steps towards our vision of becoming a global pure-play cell and gene therapy CDMO, reorganising our operations and streamlining our focus under the banner of our new "One OXB" strategy. This repositioning has enhanced OXB's alignment with client needs and operational capabilities including the scalability of our operations globally, while maintaining high standards of quality and innovation. As part of our evolution into a pure-play viral vector CDMO, we have implemented extensive cost management initiatives. These initiatives have allowed us to refine our structure to better align it with the demands of a pure-play CDMO. By doing so we have laid the foundation for sustainable growth and profitability, while leveraging our expertise in viral vector manufacturing.

The introduction of our "One OXB" strategy is based on operations in the UK, the US and the EU which are globally aligned enabling the Group to benefit from increased efficiency and agility. This has already yielded results, with a more than 50% increase both in the contracted value of client orders in 2023 (excluding COVID-19 vaccine manufacturing) and our business development pipeline in 2023. Our expansion in key markets in the UK, the US, and the EU positions us well to seize further opportunities in the fast-growing cell and gene therapy sector.

With all efforts focused on the core business, OXB's financial performance in 2023 reflects the non-recurrence of any COVID-19 vaccine bioprocessing volumes, in line with expectations, which significantly contributed to the Group's revenues in the prior year. Alongside this, the one-off impairment charge arising from the cessation of revenues from Homology resulted in the Group reporting an operating loss for 2023.

Our robust operational performance in 2023, complemented by strategic cost management initiatives, has optimally positioned us to achieve our medium-term financial guidance of a three-year revenue CAGR in excess of 35% and Operating EBITDA margins in excess of 20% by the end of 2026.

Acquisition of ABL Europe from Institut Mérieux

In September 2023, Oxford Biomedica announced its intention to acquire ABL Europe from Institut Mérieux, for a consideration of €15 million (including €10 million of pre-completion cash funding in ABL Europe from Institut Mérieux). ABL Europe, recently renamed Oxford Biomedica (France), is a pure-play European CDMO with specialised expertise in the development and manufacturing of solutions for biotech and biopharma companies including viruses for gene therapy, oncolytic viruses and vaccine candidates.

The transaction completed on 29 January 2024, providing the Group with bioprocessing and manufacturing facilities in the EU, through sites in Lyon and Strasbourg, France. This strategic acquisition increases access to EU-based clients and broadens the Group's international development, manufacturing and testing presence, whilst increasing its capacity in process and analytical development and early-stage manufacturing, with over 70,000ft² of GMP manufacturing space. The addition of the sites in France brings more than 100 CDMO experts to the Group and adds expertise in Vaccinia, Modified Vaccinia Ankara (MVA), Pox Virus, Measles and Arenaviridae, to OXB's client offering.

As part of the transaction, Institut Mérieux has acquired a 6.3% stake in Oxford Biomedica, including through purchases in the open market, which it intends to increase to approximately 10.0% in aggregate by the end of Q3 2024. An additional €20 million of committed future funding will be provided by Institut Mérieux to cover capital expenditure and potential operational losses related to the acquisition of Oxford Biomedica (France), in exchange for

expenditure and potential operational losses related to the acquisition of Oxford Biomedica (France), in exchange for Oxford Biomedica plc ordinary shares.

CDMO Services

Demand for the Group's CDMO services remains strong across all key viral vector types. Throughout 2023, OXB continued to grow and diversify its CDMO portfolio, which now consists of 51 client programmes at various stages of clinical development. There has been an increase in the number of late-stage and commercial client agreements, which now consist of 5 programmes compared to 2 at the same time in 2023. This increased maturity with multiple programmes moving into and progressing through the clinic is also a result of the Group's efforts to allocate resources towards areas of higher value and success as part of the Group's new commercial strategy.

Throughout the year, multiple new clients were onboarded with new programmes across lentiviral vectors, adenovirus and AAV, in line with OXB's multi-vector strategy. Additional agreements were signed post period-end, including with a new undisclosed US-based biotechnology company for the manufacture of lentiviral vectors as the client prepares for the commercial launch of its CAR-T programme. The Group has also continued to successfully develop existing client relationships globally with around one third of clients working with the Group on more than one programme. Existing clients expanding their work with OXB included US biotech companies Arcellx and Cargo. Whilst no further revenues are expected from Homology beyond the 2023 financial year following its announcement of a strategic review in July 2023 and its intention to merge with Q32 Bio, post period-end, two new programmes with existing clinical-stage clients were signed. The expansion of existing client relationships and the Group's growing client portfolio is testament to OXB's strong track record, expertise and know-how in manufacturing viral vectors.

| Programme stage | April 2023 ¹ | April 2024 ² (including France) |
|--|-------------------------|--|
| | 18 clients | 35 clients |
| | 34 client programmes | 51 client programmes |
| Pre-clinical through to early-stage clinical | 32 ³ | 46 |
| Late stage clinical | 1 | 3 |
| Commercial agreements | 1 | 2 |

- (i) As per the YE 2022 results release
- (ii) As of this results release (includes post-period events)
- (iii) Includes undisclosed stage programmes

Business development

The Group continues to intensify its business development activities. In 2023, Oxford Biomedica more than doubled the number of contracts and client orders signed compared to 2022, reflecting continued demand for its services from a diverse range of pharmaceutical and biotech clients. The contracted value of client orders signed in 2023 was £131 million, an increase of over 50% compared to £85 million in the year ended 31 December 2022 (excluding COVID-19 vaccine manufacturing).

The Group's business pipeline also showed positive momentum, with the business development pipeline growing by 51% from January to December 2023, from \$291 million to \$438 million. This includes growth across all segments from early phase clinical programmes to late-stage programmes close to commercialisation. Post period-end, the business development pipeline has continued to increase, instilling confidence in the Group's ability to further expand its backlog and receive orders.

As part of its new commercial strategy, the Group is in the process of introducing multi-viral vector CDMO capabilities across its multiple sites. This allows for the opening up of new potential revenue opportunities based on complementary capabilities as well as expanded capacities throughout the sites.

Significant progress has already been made in transferring the Group's lentiviral vector capabilities to its Bedford, US site, with the first production runs initiated post period-end in February 2024. OXB successfully delivered the 5L scale down model process and accompanying analytics at the end of March 2024. It is expected that by expanding viral vector capabilities across the UK, the US and the EU sites, investing in the OXB platform and prioritising innovation that directly supports clients, OXB will be able to work with a broader range of companies and support them as they grow and progress through clinical trials. Furthermore, the addition of new sites acquired in the EU (France) in January 2024 will help to increase capacity in process and analytical development and early-stage manufacturing, as well as the addition of new vector types.

To ensure that the commercial team is sufficiently resourced and optimally positioned to leverage the expected increase in cell and gene therapy opportunities, this team has been restructured and is now vector-agnostic, with all members of the team covering lentivirus, AAV, adenovirus and other vectors. The team comprises three different units: Commercial Operations, Sales; and Strategy and Marketing, and is located across the East and West Coast of the US as well as the EU and the UK, within close proximity to potential and existing clients.

Innovation

The Group adopts a client-centric approach, focusing on delivering value through innovative solutions tailored to the unique challenges of cell and gene therapy. By enhancing viral vector production, the Group is not only industrialising the process, but also achieving higher productivity, better quality, and lower costs, thereby benefiting clients and ultimately patients. This combination of platform and process innovation is expected to significantly reduce the cost per dose, accelerating clinical development and expanding patient access to these therapies.

The Group's latest innovation is the TetraVecta™ system which launched in May 2023. This 4th generation lentiviral vector delivery system allows for higher quality, potency, safety, expression level and packaging capacity, and enables cell and gene therapy companies to overcome barriers in therapeutic development, caused by features of the therapeutic cargo, such as size, complexity, or interference of the payload to be delivered. The TetraVecta™ system is the result of years of development and direct experience of understanding of industry challenges. The TetraVecta™ system can be used to accelerate the adoption of *in vivo* gene therapies, as well as support the creation of high-titre stable producer cell lines to facilitate scale-up for improved yield (up to 3-fold higher) and improved vector quality (1kb additional space). The new technology is currently being investigated by a number of existing clients and several CDMOs.

Additionally, the Group has developed additive technologies that are already being used in GMP for client programmes (U1) or expected later in the second half of 2024 (I3A). These allow for an increase in the number of lentiviral particles generated and an improvement in their potency such that less vector has to be used to achieve the same benefit; a continuing challenge for the industry.

TetraVecta™ system outperforms traditional 3rd generation lentiviral vectors

| | 3 rd generation | TetraVecta™ |
|---|----------------------------------|----------------------|
| Packaging size | Standard | 1kb additional space |
| Particle activity (P:I ratio) | Standard | Improved |
| Yield | Standard | Up to 3-fold higher |
| Contaminants in LV particles | Transgene protein / spliced vRNA | Minimal |
| Transgene expression in target cells | Standard | Up to 3-fold higher |

Post period-end, the Group launched the inAAVate™ platform, which offers a proprietary 'plug and play' Dual-Plasmid system for transient transfection, as well as a standard triple transfection system for AAV-based gene therapies. The inAAVate™ platform has demonstrated cell culture titre to over 1E15 vg/L for multiple serotypes across multiple genomes, and shown a significant increase in AAV vector productivity and quality with >50% full capsids in the bioreactor and >90% full capsids in the final drug substance. The Dual-Plasmid system, together with the Group's proprietary transfection process has been successfully scaled up to 2,000L with multiple GMP runs at 500L scale, and represents a high-quality platform with industry-leading productivity to enable successful AAV product development.

Gene therapeutics pipeline

The Group has concluded the review of strategic options for its therapeutics portfolio and, in line with its strategy to become a pure-play CDMO, discontinued work on internal product development in the second half of 2023. No material costs associated with the therapeutics portfolio are expected to be carried by the Group in 2024.

Corporate and organisational development

Streamlining operations

Oxford Biomedica has made significant progress in streamlining its operations. The Group has concluded the reorganisation of its workforce, which, among other measures to increase efficiency, includes a more streamlined structure across the UK and the US. Approximately 200 positions in both the UK and the US were affected by the streamlining of roles, in a move expected to boost client-centricity, and align roles and operations with the specific requirements of a pure-play CDMO. Across the organisation, other changes to increase efficiencies have included adapting the batch scheduling process to optimise cross-site flexibility and increase the capacity that can be offered for manufacturing, as well as refining review processes to accelerate speed of delivery.

As part of this operational streamlining, the Group has moved to a site-based model, with operations in the UK and the US (and post period-end, the EU (France)), and has appointed Site Heads for each of these locations. The Group's Bedford, US site is based near Boston, Massachusetts and is led by Mark Caswell who joined the Group in July 2023. The Group's UK sites are led by Thierry Coumez who joined the Group in October 2023 as Chief Operating Officer & Site Head of UK Operations. Post period-end in January 2024, following the acquisition of ABL Europe from Institut Mérieux, the French sites are led by Stéphanie Colloud. The shift to a site-based structure allows the Group to maximise efficiency as well as be better adapted to serve clients' needs.

In accordance with the Group's re-positioning as a quality and innovation led pure-play CDMO, the Senior Executive Team (renamed the Corporate Executive Team in November 2023) has been restructured to reflect a more client-centric structure, with Dr. Kyriacos Mitrophanous appointed as Chief Innovation Officer (formerly Chief Scientific Officer), whilst Dr. James Miskin has taken on the role of Chief Quality and Technical Officer (formerly Chief Technical Officer).

Outlook

Looking ahead, the Group will continue to execute on the new strategy implemented in 2023 and strengthen its position as a leading global quality and innovation-led cell and gene therapy CDMO. With the streamlining of the Group's operations now complete, the Group's focus will turn to integrating all sites, including its recently acquired operations in the EU (France), to "One OXB", alongside growing its global portfolio of clients and projects. Through our ongoing dedication to delivering the highest quality to our clients and focusing on client-centric innovation, OXB can better facilitate the delivery of life-changing cell and gene therapies to patients and deliver long-term sustainable

better facilitate the delivery of life-changing cell and gene therapies to patients and deliver long-term sustainable profitability to the Group's shareholders.

FINANCIAL REVIEW

Transformation to a global pure-play cell and gene therapy CDMO

2023 was a transformational year, with the Group executing on its strategy to become a quality and innovation-led pure-play cell and gene therapy CDMO with a global reach. This has been achieved by the closing of the legacy product development division, organisational realignment and the recent acquisition of ABL Europe, recently renamed Oxford Biomedica (France). The acquisition has provided the Group with a manufacturing and development foothold in the EU, together with the existing operations in the UK and the US.

Lentiviral vector manufacturing volumes have continued their post pandemic upward trajectory, with revenues from the core business achieving low single digit revenue growth compared with 2022. COVID-19 vaccine bioprocessing volumes reduced to zero, which is reflected in the overall variance from the prior year. Throughout 2023, the Group continued to sign new clients, whilst also expanding existing client agreements. OXB's CDMO portfolio (including France) comprises 51 client programmes at various stages of clinical development, which includes multiple new clients onboarded and expansion of work with existing clients during 2023.

As part of its evolution into a quality and innovation-led pure-play cell and gene therapy CDMO, the Group made the difficult decision to reorganise its workforce, affecting approximately 200 positions. This reorganisation included a more streamlined structure across the UK and the US to ensure strategic alignment of resources, boost efficiency and client-centricity, and align roles and operations with the specific requirements of a pure-play CDMO.

In 2023, the Group remained dedicated to expanding its core business. This involved attracting new clients, enhancing its services for existing clients, and pursuing growth through the acquisition of technologies, capabilities, and additional client partnerships. The Group achieved total revenues of £89.5 million and incurred an Operating EBITDA loss of £(52.8) million in 2023 compared to revenues of £140.0 million and an Operating EBITDA¹ profit of £1.6 million in the prior year. The variance in revenues from the prior year reflects the non-recurrence of any COVID-19 vaccine bioprocessing volumes in 2023, which were in excess of £40.0 million in 2022. Excluding COVID-19 vaccine revenues, manufacturing and development revenues showed a low single digit increase, driven by growth in lentiviral vector manufacturing revenues.

At a cost level, there was a decrease in operating expenditure in 2023 of £5.1 million reflecting the impact of the restructuring of the business and closure of the Product division, which was partly offset by one off restructuring costs, and inflationary operational cost increases. The business reorganisation has resulted in an annualised like for like reduction to the ongoing fixed cost base from 1 January 2024 of circa £30 million compared to 2023, driven by streamlining of roles, synergies achieved from the move to a site-based model, and focusing R&D expenditure on revenue-generating activities for clients.

In September 2023, Oxford Biomedica announced that it had entered into exclusive negotiations with Institut Mérieux for the proposed acquisition of ABL Europe, with the transaction closing in January 2024. Through this transaction, the Group has broadened its client base, both in Europe and the cell and gene therapy space. OXB acquired ABL Europe for a consideration of €15 million by means of a share for share exchange, with Institut Mérieux now becoming a major shareholder in the Group. Assets acquired as part of the acquisition include €10 million of pre-completion cash funding from Institut Mérieux.

¹ Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.

At the end of June 2023, the Group completed a sale and leaseback of its Harrow House facility for £4.5 million to Kadans Science Partner. Under the agreement, Kadans has granted the Group an occupational lease of the property for approximately 15 years at a rent of £0.5 million per annum rising to £0.6 million after five years, with a further market rent review after 10 years. In the year 2023, the Group recognised a profit on the sale of £0.5 million, a right of use asset of £2.1 million and a lease liability of £3.1 million.

In July 2023, Homology Medicines Inc. (Homology), a genetic medicines company and client of Oxford Biomedica (US) LLC (OXB (US) LLC), previously named Oxford Biomedica Solutions LLC, announced a strategic review of its business. Subsequently in H2 2023, Homology announced its intention to merge with Q32 Bio Inc. No further revenues will be received from Homology beyond the 2023 financial year. As a result of this development, the Group has performed an impairment review of the US business' Cash Generating Unit (CGU) as at 31 December 2023 resulting in an impairment charge of £99.3 million to the intangible assets and fixed assets of the US business being recognised in the 2023 financial statements.

Selected highlights of the Group's financial results are as follows:

Total revenues increased by 200% to £89.5 million (2022: £140.0 million). Excluding COVID-19 vaccine revenues, manufacturing and development revenues showed a low single digit increase, driven by growth in lentiviral vector manufacturing revenues.

- Total revenues decreased by 36% to £89.5 million (2022: £140.0 million) due to the non-recurrence of revenues from the manufacturing of vaccine batches for AstraZeneca as well as lower revenues from milestones licences and royalties, partly offset by a small increase in the underlying bioprocessing and commercial development revenues when compared to the prior year.
- Revenues from bioprocessing and commercial development activities decreased by 35% to £82.8 million (2022: £128.1 million) driven by the non-recurrence of revenues from the manufacturing of vaccine batches for AstraZeneca, which were in excess of £40.0 million in 2022. Revenues from viral vector commercial development and manufacturing activities performed on behalf of the Group's existing clients showed a low single digit increase when compared to the prior year.
- Revenues from milestones, licences and royalties decreased by 44% to £6.7 million (2022: £11.9 million); this decrease was driven by lower licence fees from new client programmes.
- Acquisition of ABL Europe from Institut Mérieux for a consideration of €15 million (including the value of €10 million of pre-completion cash funding in ABL Europe) by means of a share-for-share exchange.
- Due to the decision by Homology to cease clinical activities, the Group performed an impairment assessment of OXB (US) LLC, resulting in an impairment of £99.3 million (2022: £nil).
- Operating EBITDA² loss and operating loss benefited from a profit on sale of the Harrow House facility of £0.5 million.
- Operating EBITDA loss and operating loss of £(52.8) million and £(184.2) million respectively (2022 Operating EBITDA profit and operating loss of £1.6 million and £(30.2) million respectively) worsened as a result of the decrease in revenues, restructuring costs of £5.6 million, a smaller profit on sale of property when compared to 2022, partly offset by a lower overall cost base. The 2023 operating loss was also negatively impacted by the impairment of the US business of £99.3 million.
- Cash burn³ of £38.2 million in 2023 (2022: £33.0 million) reflected no cash inflows from vaccine production, restructuring costs of £5.6 million, offset by lower operational cash flows and capital expenditure.
- Cash at 31 December 2023 was £103.7 million (2022: £141.3 million); Net cash at 31 December 2023 was £65.2 million (2022: £101.5 million)

¹ Non-cash items include depreciation, amortisation, revaluation of investments, fair value adjustments of assets held at fair value through profit and loss and the share based payment charge. A reconciliation to GAAP measures is provided on page 17.

Key Financial and Non-Financial Performance Indicators

The Group evaluates its performance inter alia by making use of alternative performance measures as part of its Key Financial Performance Indicators (refer to the table below). The Group believes that these Non-GAAP measures, together with the relevant GAAP measures, provide a comprehensive, accurate reflection of the Group's performance over time. The Board has taken the decision that the Key Financial Performance Indicators against which the business will be assessed are Revenue, Operating EBITDA and Operating profit/(loss). The figures presented in this section for prior years are those reported in the Annual Reports for those years.

| £'m | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------|--------|-------|-------|--------|
| Revenue | | | | | |
| Bioprocessing/ commercial development | 82.8 | 128.1 | 128.4 | 68.5 | 47.3 |
| Licence fees, milestones and royalties | 6.7 | 11.9 | 14.4 | 19.2 | 16.8 |
| | 89.5 | 140.0 | 142.8 | 87.7 | 64.1 |
| Operations | | | | | |
| Operating EBITDA | (52.8) | 1.6 | 35.9 | 7.3 | (5.2) |
| Operating (loss) / profit | (184.2) | (30.2) | 20.8 | (5.7) | (14.5) |
| | | | | | |
| Cash Flow | | | | | |
| Cash (used in) / generated from operations | (36.0) | (13.2) | 24.5 | (3.9) | (6.6) |
| Capex | 9.8 | 16.3 | 9.5 | 13.4 | 25.8 |
| Cash burn / (accretion) | (38.2) | (33.0) | 16.0 | (7.8) | (26.3) |
| | | | | | |
| Financing | | | | | |
| Cash | 103.7 | 141.3 | 108.9 | 46.7 | 16.2 |
| Loan | 38.5 | 39.8 | - | - | - |
| | | | | | |
| Non-Financial Key Indicators | | | | | |
| Headcount | | | | | |
| Year end | 714 | 904 | 815 | 673 | 554 |
| Average | 854 | 929 | 759 | 609 | 500 |

- Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.
- This is purchases of property, plant and equipment as per the cash flow statement which excludes additions to right-of-use assets. A reconciliation to

GAAP measures is provided on page 26.

3. Cash burn/(accretion) is net cash generated from operations plus net interest paid plus capital expenditure. A reconciliation to GAAP measures is provided on page 19.

Revenue

The Group's revenues decreased by 36% to £89.5 million (2022: £140.0 million). Revenue generated from bioprocessing/commercial development decreased by 35% to £82.8 million (2022: £128.1 million) due to the non-recurrence of revenues from the manufacturing of vaccine batches for AstraZeneca. Revenues from lentiviral vector and AAV commercial development and manufacturing activities performed on behalf of the Group's existing clients exhibited a low single digit increase when compared to the prior year.

Revenues from licence fees, milestones and royalties of £6.7 million (2022: £11.9 million), decreased by 44% when compared to the prior year due to a generally lower level of milestones achieved from existing clients and licence fees from new clients.

Operating EBITDA

| £'m | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------------------------------|----------------|---------------|-------------|--------------|---------------|
| Revenue | 89.5 | 140.0 | 142.8 | 87.7 | 64.1 |
| Other income | 2.8 | 2.3 | 0.9 | 0.8 | 0.9 |
| Gain on sale of property | 1.0 | 21.4 | - | - | - |
| Total expenses ³ | (146.1) | (162.0) | (107.8) | (81.1) | (70.2) |
| Operating EBITDA¹ | (52.8) | 1.6 | 35.9 | 7.3 | (5.2) |
| Impairment | (99.3) | - | - | - | - |
| Non cash items ² | (32.1) | (31.8) | (15.1) | (13.0) | (9.3) |
| Operating (loss)/profit | (184.2) | (30.2) | 20.8 | (5.7) | (14.6) |

1. Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.
2. Non-cash items include depreciation, amortisation, revaluation of investments, fair value adjustments of available-for-sale assets and the share-based payment charge. A reconciliation to GAAP measures is provided on page 17.
3. Total expenses are operating expenses including cost of goods incurred by the Group. A reconciliation to GAAP measures is provided on page 16.

Revenue decreased by 36% in 2023 whilst the Group's cost base decreased by 10% to £(146.1) million. Costs included a decrease in operational spend due to the restructuring completed and the closure of the Product division at the end of 2023, with annualised savings of £30 million expected from 2024 onwards. These cost savings were partly offset by an increase in operational spend due to the consolidation of the results of OXB (US) LLC for a full 12 months, one off restructuring costs of £5.6 million, acquisition-related due diligence costs of £1.4 million, and inflationary increases. The Group benefited from a profit on sale of its Harrow House facility of £0.5 million in a sale and lease back transaction. The Operating EBITDA loss of £(52.8) million is therefore £54.4 million lower than the £1.6 million Operating EBITDA profit generated in 2022 as a result of the decrease in revenues, a smaller profit on sale of property when compared to 2022, and then partly offset by a lower overall cost base

Total Expenses

In order to provide the users of the accounts with a more detailed explanation of the reasons for the year on year movements of the Group's operational expenses included within Operating EBITDA, the Group has added together research and development, bioprocessing and administrative costs and has removed depreciation, amortisation and the share option charge as these are non-cash items which do not form part of the Operating EBITDA alternative performance measure. As Operating profit/(loss) is assessed separately as a key financial performance measure, the year on year movement in these non-cash items is then individually analysed and explained specifically in the Operating and Net profit/(loss) section. Expense items included within Total Expenses are then categorised according to their relevant nature with the year on year movement explained in the second table.

| £'m | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|--------------|--------------|--------------|-------------|-------------|
| Research and development ¹ | 59.4 | 60.9 | 40.2 | 29.7 | 22.6 |
| Bioprocessing costs | 43.7 | 33.9 | 7.2 | 10.7 | 7.4 |
| Administrative expenses ³ | 25.4 | 28.2 | 15.1 | 11.3 | 11.9 |
| Impairment | 99.3 | - | - | - | - |
| Operating expenses | 227.8 | 123.0 | 62.5 | 51.7 | 41.9 |
| Depreciation | (21.5) | (20.3) | (12.4) | (9.8) | (5.8) |
| Amortisation | (7.2) | (6.1) | - | - | - |
| Impairment | (99.3) | - | - | - | - |
| Share option charge | (3.5) | (5.4) | (2.5) | (2.4) | (1.6) |
| Adjusted Operating expenses² | 96.3 | 91.2 | 47.6 | 39.5 | 34.5 |
| Cost of sales | 49.8 | 70.8 | 60.2 | 41.7 | 35.7 |
| Total Expenses⁴ | 146.1 | 162.0 | 107.8 | 81.1 | 70.2 |

- .. Includes the RDEC tax credit.
2. Research, development, bioprocessing and administrative expenses excluding depreciation, amortisation, impairment and the share option charge.
3. Included £5.1 million in one-off acquisition-related due diligence costs in 2022 relating to the transaction to acquire Oxford Biomedica Solutions.
4. Cost of goods plus research, development, bioprocessing and administrative expenses excluding depreciation, amortisation, impairment and the share option charge.

| £'m | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|--------------|--------------|--------------|-------------|-------------|
| Raw materials, consumables and other external bioprocessing costs | 32.4 | 45.6 | 34.2 | 22.0 | 22.8 |
| Manpower-related | 83.2 | 84.4 | 55.0 | 45.3 | 35.2 |
| External R&D expenditure | 2.5 | 3.6 | 2.5 | 1.4 | 1.4 |
| Due diligence costs | 1.4 | 5.1 | 1.2 | - | - |
| Other costs | 32.8 | 27.8 | 20.0 | 17.1 | 12.0 |
| RDEC Credit | (6.3) | (4.5) | (5.1) | (4.6) | (1.2) |
| Total Expenses¹ | 146.1 | 162.0 | 107.8 | 81.2 | 70.2 |

5. 1 Total expenses are operating expenses including cost of goods incurred by the Group. A reconciliation to GAAP measures is provided above.

- Raw materials, consumables and other external bioprocessing costs have decreased as no materials were required for vaccine manufacture in 2023. Materials used in lentivector and AAV batch manufacturing and development remained consistent with 2022.
- The decrease in manpower-related costs is due to the restructuring completed at the end of 2023 with the loss of approximately 200 roles across the UK and the US business, as well as the fact that no bonuses accrued with regards to 2023 performance. The lower costs were partly offset by redundancy costs incurred as a result of the restructuring of £5.6 million.
- External R&D expenditure decreased as a result of the closure of the product division in the second half of the year.
- Due diligence costs incurred in 2023 were as a result of the acquisition of ABL Europe (recently renamed Oxford Biomedica (France)). Due diligence costs incurred in 2022 related to the establishment of OXB (US) LLC.
- Other costs were higher as a result of the full 12-month impact of the inclusion of the administrative expenditure of OXB (US) LLC, and inflationary increases.
- The RDEC credit has increased to £6.3 million (2022: £4.5 million) due to a more generous Research and Development tax scheme introduced by the UK Government.

Operating and Net profit/(loss)

| £'m | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|----------------|---------------|-------------|--------------|---------------|
| Operating EBITDA¹ | (52.8) | 1.6 | 35.9 | 7.3 | (5.2) |
| Depreciation, Amortisation and share option charge | (32.2) | (31.8) | (14.9) | (12.2) | (7.3) |
| Impairment | (99.3) | - | - | - | - |
| Revaluation of investments/Change in fair value of available for sale assets | 0.1 | - | (0.2) | (0.8) | (1.9) |
| Operating loss/(profit) | (184.2) | (30.2) | 20.8 | (5.7) | (14.5) |
| Interest | (6.3) | (7.8) | (0.9) | (0.8) | (5.4) |
| Foreign exchange | 1.9 | (8.0) | - | - | (1.0) |
| Taxation | 4.4 | 0.8 | (0.9) | 0.3 | 4.8 |
| Net(loss)/profit | (184.2) | (45.2) | 18.9 | (6.2) | (16.1) |

1. Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.

In arriving at Operating (loss)/profit it is necessary to deduct from Operating EBITDA the non-cash items referred to above. The depreciation (£21.5 million) and amortisation (£7.2 million) charge was higher in 2023 due to fixed assets acquired during 2022 and 2023 as well as the 12 month impact of the acquisition of the fixed assets and intangible assets of OXB (US) LLC. Due to the decision by Homology to cease clinical activities, the Group performed an impairment assessment of the US business, resulting in an impairment of £99.3 million (2022: £nil). The share option charge decreased by £1.9 million due to the lower share price, employee restructuring, as well as the non-vesting of certain share options with performance conditions.

The impact of these charges resulted in an operating loss of £184.2 million in 2023 compared to a loss of £30.2 million in the prior year.

The net interest charge decreased by £1.5 million as a result of an increase in interest received of £3.9 million due to improved interest rates on cash balances held by the Group but offset by a £2.4 million increase in IFRS 16 interest on the lease liabilities related to the Group's Bedford Massachusetts, Windrush Court and Harrow House facilities. Foreign exchange gains of £1.9 million were recognised in 2023 on the Oaktree loan, as opposed to foreign exchange

losses of £8.0 million in 2022. The corporation tax charge was negative due to the release of the deferred tax liability as a result of the impairment of the OXB (US) LLC intangible asset. The negative tax charge was partly offset by an increase in the notional tax charge due to an increase in the RDEC tax credit expected for 2023.

Other Comprehensive Income

The Group recognised a loss within other comprehensive income in 2023 of £5.3 million (2022: £10.6 million income) in relation to movements on the foreign currency translation reserve.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, including gains arising from monetary items that in substance form part of the net investment in foreign operations.

Segmental Analysis

During 2023, in order to reflect the way the business has been managed by the Corporate Executive Team (CET) (previously known as the Senior Executive Team (SET) until November 2023), the Group reported its results within two segments, namely:

- the 'Platform' segment which includes the revenue generating bioprocessing and process development activities for third parties (i.e. the Partner programmes CDMO business), and internal technology projects to develop new potentially saleable technology, improve the Group's current processes, and bring development and manufacturing costs down within the LentiVector® platform; and
- the 'Product' segment, which includes the costs of research and development of new gene therapeutic product candidates.

| £'m | Platform | Product | Total |
|-------------------------------|----------|---------|---------|
| 2023 | | | |
| Revenue | 89.4 | 0.1 | 89.5 |
| Operating EBITDA ¹ | (45.1) | (7.7) | (52.8) |
| Operating loss | (174.9) | (9.3) | (184.2) |
| 2022 | | | |
| Revenue | 139.9 | 0.1 | 140.0 |
| Operating EBITDA ¹ | 11.7 | (10.0) | 1.6 |
| Operating loss | (17.9) | (12.3) | (30.2) |

1. 1 Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Impairment, Amortisation, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.

The Platform segment in 2023 experienced a decrease in revenue of 36% from £139.9 million to £89.4 million due to the non-recurrence of vaccine batches manufactured for AstraZeneca. Excluding the impact of the loss of vaccine revenues, lentivector and AAV revenues exhibited a low single digit increase when compared to the prior year. From a cost perspective, operating results were positively impacted by the restructuring and the closure of the product segment, although this was partly offset by an increase in operational spend due to the consolidation of the results of OXB (US) LLC for a full 12 months, one off restructuring costs incurred, acquisition-related due diligence costs and inflationary increases.

The Product segment has generated revenues of £0.1 million (2022: £0.1 million) and an Operating EBITDA loss and Operating loss of £7.7 million and £9.2 million respectively (2022: loss of £10.0 million and £12.3 million respectively). Product operating expenses were lower due the closure of the product division in the second half of 2023.

The Group has concluded the review of strategic options for its therapeutics portfolio and, in line with its strategy to become a pure-play CDMO, discontinued work on internal product development in the second half of 2023. No material costs associated with the therapeutics portfolio are expected to be carried by the Group in 2024.

2024 and beyond

As part of the restructuring of the business and the closure of the product segment at the end of 2023, the CET has re-assessed the reporting segments to reflect the way the business will be managed in future. Management reporting is currently being reworked to align with these new segments going forward and the Group expects to be able to report on these new segments during 2024 and thereafter. No changes from the current basis have been reflected in the 2023 Annual report and accounts.

Cash flow

| £'m | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------|--------|--------|--------|--------|
| Operating (loss)/profit | (184.2) | (30.2) | 20.8 | (5.7) | (14.5) |
| Non-cash items included in operating loss ¹ | 131.4 | 31.8 | 15.1 | 13.0 | 9.2 |
| Operating EBITDA ² | (52.8) | 1.6 | 35.9 | 7.3 | (5.2) |
| Working capital movement ³ | 16.8 | (14.8) | (11.4) | (11.2) | (1.4) |

| | | | | | |
|--|---------------|--------|-------|--------|--------|
| Cash (used in)/ generated from operations | (36.0) | (13.2) | 24.5 | (3.9) | (6.6) |
| R&D tax credit received | 7.5 | 0.6 | 1.0 | 7.0 | 3.1 |
| Net Cash (used in)/ generated from operations | (28.5) | (12.6) | 25.5 | 3.1 | (3.5) |
| Interest paid, less received | 0.1 | (4.1) | - | - | (3.3) |
| Sale of Investment Asset | - | - | - | 2.5 | 6.3 |
| Capex ⁴ | (9.8) | (16.3) | (9.5) | (13.4) | (25.8) |
| Net cash (burn) / inflow⁵ | (38.2) | (33.0) | 16.0 | (7.8) | (26.3) |
| Acquisition of subsidiary | - | (99.2) | - | - | - |
| Sale of building | 8.4 | 60.0 | - | - | - |
| Net proceeds from financing ⁶ | (8.6) | 104.6 | 46.2 | 38.3 | 10.3 |
| Movement in year | (38.4) | 32.4 | 62.2 | 30.5 | (16.0) |

1. Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments.
2. Operating EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation, Impairment, revaluation of investments and assets at fair value through profit and loss, and Share Based Payments) is a non-GAAP measure often used as a surrogate for operational cash flow as it excludes from operating profit or loss all non-cash items, including the charge for share based payments. However, deferred bonus share option charges are not added back to operating profits in the determination of Operating EBITDA as they may be paid in cash upon the instruction of the Remuneration Committee. A reconciliation to GAAP measures is provided on page 17.
3. This is Changes in working capital and reversal of the Gain on sale of building as outlined in note 17: Cash flow from operating activities on page 43.
4. This is Purchases of property, plant and equipment as per the cash flow statement which excludes additions to Right-of-use assets. A reconciliation to GAAP measures is provided on page 26.
5. Cash burn/(inflow) is net cash generated from operations plus net interest paid plus capital expenditure.
6. This is net cash generated from financing activities as per the Cash flow statement on page 26 excluding interest paid.

The Group held £103.7 million of cash at 31 December 2023, having begun the year with £141.3 million. Significant movements across the year are explained below:

- The positive working capital movement of £16.8 million was mainly as a result of the decrease in trade and other receivables due to amounts received from clients outstanding as at 31 December 2022;
- Interest paid less interest received decreased by £4.2 million due to improved interest rates received on cash balances held;
- The Group received the 2021 RDEC tax credit in January 2023 and the 2022 RDEC tax credit in October 2023;
- Purchases of property, plant and equipment decreased from £16.3 million to £9.8 million, as the Group limited capex spend to replacement requirements except for some highly strategic and specifically approved projects;
- The net outflows from financing during 2023 was £8.6 million, consisting of share option equity issued of £0.7 million, and reduced by lease payments of £9.3 million which have increased due to the sale and leaseback of the Group's Harrow House and Windrush Court facilities;
- The result of the above movements is a net decrease of £38.4 million which, together with a negative movement in foreign currency balances of £0.8 million, leads to a decrease in cash from £141.3 million to £103.7 million.

Statement of financial position review

The most notable items on the Statement of financial position, including changes from 31 December 2022, are as follows:

- Intangible assets decreased from £105.9 million to £31.0 million due to amortisation of £7.2 million, an impairment of £62.6 million and foreign exchange movements of 5.1 million;
- Property, plant and equipment has decreased from £133.8 million to £75.7 million due to disposals of property of £9.0 million, impairments of £36.7 million, depreciation of £21.5 million, foreign exchange movements of £4.5 million reallocations and change in estimate of £0.5 million, and offset by capital expenditure of £14.2 million on mainly plant and equipment;
- Inventories have increased slightly from £12.6 million to £12.9 million;
- Trade and other receivables decreased from £61.6 million to £24.7 million mainly as a result of the receipt of amounts outstanding from clients as at December 2022, but also lower levels of un-invoiced client work as compared to year end;
- Trade and other payables have decreased from £36.6 million at the start of the year to £17.8 million due to due to lower levels of client and other operational activities leading to lower levels of accruals and trade creditors outstanding, including no bonus accrual required at the end of 2023;
- Contract liabilities increased from £18.5 million in 2022 to £26.1 million due to an increased level of client orders invoiced in advance for the goods and services being provided by the Group;
- Deferred Income decreased from £2.0 million in 2022 to £1.4 million due to the release of amounts deferred as part of the Innovate UK capex grant funding;
- Provisions remained stable at £8.5 million as an increase of £0.8 million as a result of the recognition of a liability for the costs of restoring the newly leased Harrow House manufacturing facility to its original state at the end of the lease term was offset by a change in the estimate of restoring the existing properties to their original state;

- Lease liabilities increased by £1.6 million to £72.9 million due to the recognition of the lease liability on the sale and lease back of our Harrow House facility more than offsetting lease payments made by the Group during the period;
- The dollar denominated loan has decreased by £1.2 million to £38.5 million (\$50 million) due to foreign currency movements; and
- Put option liability - the put option liability to acquire the remaining 20% of OXB (US) LLC that the Group doesn't already own has decreased from £38.2 million at 31 December 2022 to £9.3 million at the end of December 2023 due to a decrease in the value at which the option is expected to be exercised.

Subsequent events

On 29 January 2024, the Group acquired ABL Europe (recently renamed Oxford Biomedica (France)) from Institut Mérieux SAS for a consideration of €15 million, which included €10 million of pre-completion cash funding from Institut Mérieux in ABL Europe, in exchange for 3,149,374 new ordinary shares in the Company which have been issued at a price of 407.4p.

Oxford Biomedica (France) is a pure-play European CDMO with specialised expertise in the development and manufacturing of solutions for biotech and biopharma companies including viruses for gene therapy, oncolytic viruses and vaccine candidates. The acquisition of Oxford Biomedica (France) broadens the Group's international presence by establishing a footprint within the European Union through facilities located in Lyon and Strasbourg, France. In addition, the acquisition increases OXB's capacity in process and analytical development, and early-stage manufacturing, and addresses increased client demand for the Group's process development services.

Financial outlook

The Group expects 2024 revenues to be between £126 million and £134 million, with revenues for the year being second half-weighted, as previously communicated. This includes revenues from the newly acquired sites in France, existing client programmes progressing through development and the acquisition of new clients, driven by high levels of business development activity.

The Group's revenue backlog as at 31 March 2024, including contributions from Oxford Biomedica (France), stood at £104 million, a growth of 11% from £94 million at 31 December 2023. This is the amount of future revenue available to earn from current orders. Since the end of March 2024, the Group has signed a new order with a US-based client preparing for commercial launch (agreement announced in March 2024) which is excluded from this backlog figure. The contracted value of client orders signed in the year ended 31 December 2023 was £131 million, an increase of over 50% compared to £85 million in the year ended 31 December 2022, which instils confidence in the Group's ability to further expand its backlog and receive orders.

With the streamlining of the Group's operations completed in 2023, including the transition to a global site-based model, and the acquisition of ABL Europe, Oxford Biomedica reiterates its guidance of achieving broadly breakeven EBITDA in 2024, excluding the impact of the acquisition. Including the impact of the acquisition, the Group anticipates a modest operating loss attributed to the recently acquired operations in France. This is expected to be fully funded by the €10 million cash funding in ABL Europe from Institut Mérieux received prior to completion of the transaction. This improvement compared to the Operating EBITDA loss of £(52.8) million reported in 2023 demonstrates the effectiveness of the Group's strategic initiatives.

Capital expenditure is expected to be limited to maintenance capex required as well as modest spend on certain key capital expenditure projects, such as the transfer of the Group's lentiviral vector capabilities into its US site.

Medium term financial guidance

Building on its leading position in lentiviral vectors, the Group aims to ultimately have a market leading position in the viral vector outsourced supply market across all key vector types. As previously guided, the Group expects a three-year revenue CAGR of more than 35% for the year's 2023-2026. With increased operational efficiencies, targeted cost management, and targeted investment, the Group expects to achieve Operating EBITDA margins in excess of 20% by the end of 2026, and to be profitable on an EBITDA level in 2025.

Going concern

The financial position of the Group and Company, their cash flows and liquidity position are described in the Financial Statements and notes to these financial statements section of this Annual report and accounts.

The Group and the Company made a loss after tax for the year ended 31 December 2023 of £184.2 million and £120 million respectively, and consumed net cash flows from operating activities for the year of £28.5 million and £9.8 million. The Group also:

- Sold its Harrow House manufacturing facility in a sale and leaseback transaction for £4.5 million to Kadans Science Partner in June, whilst also agreeing an occupational lease of the property for 15 years;
- Closed the acquisition of ABL Europe in January 2024 for a consideration of €15 million, (including €10million of pre-completion cash funding from Institut Mérieux); and
- Ended the year with cash and cash equivalents of £103.7 million.

In considering the basis of preparation of the Annual Report and accounts, the Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, based in the first

instance on the Group's 2024 annual budget and forecasts for 2025. The Directors have undertaken a rigorous assessment of the forecasts in a base case scenario and assessed identified downside risks and mitigating actions. These cash flow forecasts also take into consideration severe but plausible downside scenarios including:

- Commercial challenges leading to a substantial manufacturing and development revenue downside affecting both the LentiVector® platform and AAV businesses;
- No revenues from new clients;
- Decreases in forecasted existing client milestones and removal of any future licence revenues; and
- The potential impacts of a downturn in the biotechnology sector on the Group and its clients including expected revenues from existing clients under long term arrangements.

Under both the base case and mitigated downside scenario, the Group and Company have sufficient cash resources to continue in operation for a period of at least 12 months from the date of approval of these financial statements.

In the event of all the downside scenarios above crystallising, the Group and Company would continue to meet their existing loan covenants until March 2025 without taking any mitigating actions, but the Board has mitigating actions in place that are largely within its control that would enable the Group to reduce its spend within a reasonably short time-frame to increase the Group and Company's cash covenant headroom as required by the loan facility with Oaktree Capital Management. Specifically, the Group will continue to monitor its performance against the base case scenario and if base case cash-flows do not crystallise, start taking mitigating action by the end of Q3 2024 which may include rationalisation of facilities and rightsizing the workforce.

In addition, the Board has confidence in the Group and Company's ability to continue as a going concern for the following reasons:

- As noted above, the Group has cash balances of £103.7 million at the end of December 2023;
- More than 50% of 2024 base case forecasted revenues are covered by binding purchase orders and rolling client forecasts which give confidence in the level of revenues forecast over the next 12 months;
- The Group intends to delay the construction element of its Oxbox manufacturing facility expansion to now take place during 2028 and 2029;
- The Group's ability to continue to be successful in winning new clients and building its brand as demonstrated by successfully entering into new client agreements including with Arcellx, Cargo Therapeutics, Cabaletta Bio and Oxford University over the last 12 months; and
- The Group has the ability to control capital expenditure costs and lower other operational spend, as necessary.

Taking account of the matters described above, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Stuart Paynter
Chief Financial Officer

Consolidated statement of comprehensive income

| | Notes | Dec-23 £'000 | Dec-22 £'000 |
|--------------------------------|-------|-----------------|-----------------|
| Continuing operations | | | |
| Revenue | | 89,539 | 139,989 |
| Cost of sales | | (49,812) | (70,808) |
| Gross profit | | 39,727 | 69,181 |
| Research and development costs | | (50,353) | (60,037) |

| | | | |
|--|-------|------------------|-----------------|
| Research and development costs | | (88,888) | (88,888) |
| Bioprocessing costs | | (43,746) | (33,886) |
| Administration expenses | Notes | (25,413) | (28,223) |
| Impairment of assets | | (99,284) | - |
| Other operating income | | 2,803 | 2,307 |
| Gain on sale and leaseback | | 1,018 | 21,389 |
| Change in fair value of available for sale assets | | 74 | (51) |
| Operating (loss) | | (184,174) | (30,220) |
| Finance income | | 4,910 | 973 |
| Finance costs | 5 | (9,263) | (16,729) |
| (Loss) before tax | | (188,527) | (45,976) |
| Taxation | 3 | 4,365 | 817 |
| (Loss) for the period | | (184,162) | (45,159) |
| Other comprehensive income | | | |
| Foreign currency translation differences | | (5,307) | 10,575 |
| Other comprehensive income | | (5,307) | 10,575 |
| Total comprehensive (expense) | | (189,469) | (34,584) |
| (Loss) attributable to: | | | |
| Owners of the Company | | (157,490) | (39,157) |
| Non-controlling interest | 18 | (26,672) | (6,002) |
| | | (184,162) | (45,159) |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | (161,359) | (31,332) |
| Non-controlling interest | 18 | (28,110) | (3,252) |
| | | (189,469) | (34,584) |
| Basic and Diluted (loss) per ordinary share | 4 | (163.11) | (41.29p) |

Statement of financial position

| | Notes | Dec-23 £'000 | Dec-22 £'000 |
|---|-------|-----------------|-----------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets & goodwill | 6 | 30,981 | 105,886 |
| Property, plant and equipment | 7 | 75,692 | 133,780 |
| Trade and other receivables | 9 | 4,340 | 5,010 |
| | | 111,013 | 244,676 |
| Current assets | | | |
| Inventories | 8 | 12,872 | 12,625 |
| Trade and other receivables | 9 | 24,741 | 61,594 |
| Cash and cash equivalents | | 103,716 | 141,285 |
| | | 141,329 | 215,504 |
| Current liabilities | | | |
| Trade and other payables | 10 | 17,802 | 36,579 |
| Provisions | 12 | 747 | - |
| Contract liabilities | 11 | 21,598 | 18,370 |
| Deferred income | 11 | 514 | 894 |
| Lease liabilities | 15 | 3,654 | 3,295 |
| Deferred tax | | - | 525 |
| | | 44,315 | 59,663 |
| Net current assets / (liabilities) | | 97,014 | 155,841 |
| Non-current liabilities | | | |
| Provisions | 12 | 7,710 | 8,424 |
| Contract liabilities | 11 | 4,494 | 76 |
| Deferred income | 11 | 837 | 1,069 |
| Loans | 13 | 38,534 | 39,780 |
| Lease liabilities | 15 | 69,270 | 71,206 |
| Put Option liability | 14 | 9,348 | 38,182 |
| Deferred tax liabilities | | - | 5,588 |
| | | 130,193 | 164,325 |
| Net assets | | 77,834 | 236,192 |

| | | Dec-23 | Dec-22 |
|---|---------|---------------|----------------|
| Equity attributable to owners of the parent | | £'000 | £'000 |
| Ordinary shares | Note 46 | 48,403 | 48,132 |
| Share premium account | 16 | 380,333 | 379,953 |
| Other reserves | | (1,812) | (24,887) |
| Accumulated losses | | (352,918) | (198,545) |
| Equity attributable to owners of the Company | | 74,006 | 204,653 |
| Non-controlling interest | 18 | 3,828 | 31,539 |
| Total equity | | 77,834 | 236,192 |

Statement of cash flows

| | | 2023 | 2022 |
|--|----|-----------------|-----------------|
| Notes | | £'000 | £'000 |
| Cash flows from operating activities | | | |
| Cash (consumed in)/generated from operations | 17 | (36,027) | (13,173) |
| Tax credit received | | 7,510 | 558 |
| Net cash (used in)/generated from operating activities | | (28,517) | (12,615) |
| Cash flows from investing activities | | | |
| Acquisition of subsidiary, net of cash acquired | | - | (99,206) |
| Purchases of property, plant and equipment | 7 | (9,832) | (16,296) |
| Proceeds on disposal of PPE | 7 | 8,390 | 60,000 |
| Other initial direct costs in relation to leases | | - | (1,420) |
| Interest received | | 4,248 | 460 |
| Net cash generate/ (used) in investing activities | | 2,806 | (56,462) |
| Cash flows from financing activities | | | |
| Proceeds from issue of ordinary share capital | 16 | 651 | 80,154 |
| Costs of share issues | | - | (2,952) |
| Interest paid | 5 | (4,136) | (4,554) |
| Loans repaid | | - | (31,424) |
| Loan arrangement fees | | - | (3,224) |
| Payment of lease liabilities | | (3,117) | (1,120) |
| Payment of lease liabilities interest | | (6,101) | (3,124) |
| Loans received | | - | 64,866 |
| Net cash generated from /(used in) financing activities | | (12,703) | 98,622 |
| Net increase in cash and cash equivalents | | (38,414) | 29,545 |
| Cash and cash equivalents at 1 January 2023 | | 141,285 | 108,944 |
| Movement in foreign currency balances | | 845 | 2,796 |
| Cash and cash equivalents at 31 December 2023 | | 103,716 | 141,285 |

Statement of changes in equity attributable to owners of the parent company

| | | Reserves | | | | | | Total | Non-controlling interest | Total equity |
|--|-------|-----------------|-----------------------|--------|--------------|-------------|--------------------|----------|--------------------------|--------------|
| | | Ordinary shares | Share premium account | Merger | Other Equity | Translation | Accumulated losses | | | |
| Group | Notes | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2022 | | 43,088 | 307,765 | 2,291 | - | - | (165,806) | 187,338 | - | 187,338 |
| Loss for period | | - | - | - | - | - | (39,157) | (39,157) | (6,002) | (45,159) |
| Foreign currency translation differences | | - | - | - | - | 7,825 | - | 7,825 | 2,750 | 10,575 |
| Other comprehensive income | | - | - | - | - | 7,825 | - | 7,825 | 2,750 | 10,575 |
| Total comprehensive income for the period | | - | - | - | - | 7,825 | (39,157) | (31,332) | (3,252) | (34,584) |
| Transactions with owners: | | | | | | | | | | |
| Share options | | | | | | | | | | |
| Proceeds from shares issued | | 106 | 78 | - | - | - | (29) | 155 | - | 155 |
| Value of employee services | | - | - | - | - | - | 5,922 | 5,922 | 549 | 6,471 |
| Deferred tax on share options | | - | - | - | - | - | 125 | 125 | - | 125 |
| Issue of shares | | 4,938 | 75,062 | - | - | - | - | 80,000 | - | 80,000 |

| | | | | | | | | | | |
|--|----|---------------|----------------|--------------|-----------------|----------------|------------------|------------------|-----------------|------------------|
| excluding options | | | | | | | | | | |
| Cost of share issues | | - | (2,952) | - | - | - | - | (2,952) | - | (2,952) |
| Total contributions | | 5,044 | 72,188 | - | - | - | 6,018 | 83,250 | 549 | 83,799 |
| Changes in ownership interests: | | | | | | | | | | |
| Acquisition of subsidiary with NCI | | - | - | - | - | - | - | - | 34,642 | 34,642 |
| Acquisition of NCI without a change in control | | - | - | - | - | - | 400 | 400 | (400) | - |
| Put Option recognition | 14 | - | - | - | (38,996) | - | - | (38,996) | - | (38,996) |
| Put Option revaluation | 14 | - | - | - | 3,993 | - | - | 3,993 | - | 3,993 |
| At 31 December 2022 | | 48,132 | 379,953 | 2,291 | (35,003) | 7,825 | (198,545) | 204,653 | 31,539 | 236,192 |
| Loss for period | | - | - | - | - | - | (157,490) | (157,490) | (26,672) | (184,162) |
| Foreign currency translation differences | | - | - | - | - | (3,869) | - | (3,869) | (1,438) | (5,307) |
| Total comprehensive income for the period | | - | - | - | - | (3,869) | (157,490) | (161,358) | (28,110) | (189,469) |
| Transactions with owners: | | | | | | | | | | |
| Share options | | | | | | | | | | |
| Proceeds from shares issued | 16 | 271 | 380 | - | - | - | - | 651 | - | 651 |
| Value of employee services | | - | - | - | - | - | 3,117 | 3,117 | 399 | 3,516 |
| Total contributions | | 271 | 380 | - | - | - | 3,117 | 3,768 | 399 | 4,167 |
| Changes in ownership interests: | | | | | | | | | | |
| Put Option revaluation | 14 | - | - | - | 26,944 | - | - | 26,944 | - | 26,944 |
| At 31 December 2023 | | 48,403 | 380,333 | 2,291 | (8,059) | 3,956 | (352,918) | 74,006 | 3,828 | 77,834 |

NOTES TO THE PRELIMINARY FINANCIAL INFORMATION

1. Basis of accounting

This preliminary announcement was approved by the Board of Directors on 29 April 2024.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2022 or 2023 but is derived from those accounts.

Statutory accounts for 2022 have been delivered to the registrar of companies, and those for 2023 will be delivered in due course.

The auditor has reported on the 2023 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Going concern

The financial position of the Group and Company, their cash flows and liquidity position are described in the Financial Statements and notes to these financial statements section of this Annual report and accounts.

The Group and the Company made a loss after tax for the year ended 31 December 2023 of £184.2 million and £120 million respectively, and consumed net cash flows from operating activities for the year of £28.5 million and £9.8 million. The Group also:

- Sold its Harrow House manufacturing facility in a sale and leaseback transaction for £4.5 million to Kadans Science Partner in June, whilst also agreeing an occupational lease of the property for 15 years;
- Closed the acquisition of ABL Europe in January 2024 for a consideration of €15 million, (including €10million of pre-completion cash funding from Institut Mérieux); and
- Ended the year with cash and cash equivalents of £103.7 million.

In considering the basis of preparation of the Annual Report and accounts, the Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, based in the first instance on the Group's 2024 annual budget and forecasts for 2025. The Directors have undertaken a rigorous assessment of the forecasts in a base case scenario and assessed identified downside risks and mitigating actions. These cash flow forecasts also take into consideration severe but plausible downside scenarios including:

- Commercial challenges leading to a substantial manufacturing and development revenue downside

affecting both the LentiVector® platform and AAV businesses;

- No revenues from new clients;
- Decreases in forecasted existing client milestones and removal of any future licence revenues; and
- The potential impacts of a downturn in the biotechnology sector on the Group and its clients including expected revenues from existing clients under long term arrangements.

Under both the base case and mitigated downside scenario, the Group and Company have sufficient cash resources to continue in operation for a period of at least 12 months from the date of approval of these financial statements.

In the event of all the downside scenarios above crystallising, the Group and Company would continue to meet their existing loan covenants until March 2025 without taking any mitigating actions, but the Board has mitigating actions in place that are largely within its control that would enable the Group to reduce its spend within a reasonably short time-frame to increase the Group and Company's cash covenant headroom as required by the loan facility with Oaktree Capital Management. Specifically, the Group will continue to monitor its performance against the base case scenario and if base case cash-flows do not crystallise, start taking mitigating action by the end of Q3 2024 which may include rationalisation of facilities and rightsizing the workforce.

In addition, the Board has confidence in the Group and Company's ability to continue as a going concern for the following reasons:

- As noted above, the Group has cash balances of £103.7 million at the end of December 2023;
- More than 50% of 2024 base case forecasted revenues are covered by binding purchase orders and rolling client forecasts which give confidence in the level of revenues forecast over the next 12 months;
- The Group intends to delay the construction element of its Oxbox manufacturing facility expansion to now take place during 2028 and 2029;
- The Group's ability to continue to be successful in winning new clients and building its brand as demonstrated by successfully entering into new client agreements including with Arcellx, Cargo Therapeutics, Cabaletta Bio and Oxford University over the last 12 months; and
- The Group has the ability to control capital expenditure costs and lower other operational spend, as necessary.

Taking account of the matters described above, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2. Critical accounting judgements and estimates

In applying the Group's accounting policies, management is required to make judgements and assumptions concerning the future in a number of areas. Actual results may be different from those estimated using these judgements and assumptions. The key sources of estimation uncertainty and the critical accounting judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key accounting matters

Judgements

Contract revenues: Identification of performance obligations, allocation of revenue and timing of revenue recognition

The Group has identified three key areas of judgement within the collaboration agreements entered into during the period. Firstly, in relation to the number of distinct performance obligations contained within each collaboration agreement; secondly the fair value allocation of revenue to each performance obligation based on its relative stand alone selling price; and thirdly the timing of revenue recognition based on the achievement of the relevant performance obligation. The sales royalties contained within the collaboration agreements qualify for the royalty exemption available under IFRS 15 and will only be recognised as the underlying sales are made even though the performance obligation, in terms of the technology licence, has already been met.

The judgements with regards to the number of distinct performance obligations and the fair value allocation of revenue to each performance obligation, based on relative stand alone selling price, takes place on a contract-by-contract basis across numerous contracts entered into by the Group. As these judgements take place across numerous contracts, each with different characteristics, it is not practical to provide a quantitative analysis of the impact of applying different judgements, and the Directors do not believe that disclosing a range of outcomes resulting from applying different judgements provides

meaningful information to the reader of the financial statements. Consequently, no quantitative analysis has been provided for these judgements.

Timing of revenue recognition: technology licence revenues

One of the key judgemental areas identified within the collaboration agreements is the timing of recognition of licence revenue based on the achievement of the relevant performance obligation. The individual factors and aspects relating to licence revenue are assessed as part of the IFRS 15 accounting paper prepared for each agreement and a judgement is made as to whether the licence fee performance obligation related to the granting of the licence to the client has been achieved. If it was judged that the performance obligations on licences granted in 2023 had not been met, revenues would have been £1.7 million lower with the revenue expected to be recognised in future when the performance obligations were deemed to have been met.

Estimations

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The nature of estimation means that actual outcomes could differ from those estimates.

Revenue recognition: The allocation of the transaction price to each performance obligation based on its relative stand alone selling price

Because there is no readily available market price for many of the performance obligations contained in the client contracts, the Group estimates the stand alone selling price of each of these performance obligations. Key areas of estimation are assessed to be:

- The stand alone selling price of technology licences. The Group assesses the stand alone selling price of licences by reference to the stand alone selling price of previously recognised client technology licences, the size of the market of the target indication, and other market related observable inputs;
- The stand alone selling price of bioprocessing batches. The Group assesses the stand alone selling price of the batches in terms the stand alone selling price of its other client contract batch selling prices; and
- The stand alone selling price in terms of the annual full time equivalent rate to charge for process development activities. The Group assesses the full time equivalent rate in terms the stand alone equivalent rate of its other client contract equivalent rates.

Revenue recognition: Percentage of completion of bioprocessing batch revenues

Bioprocessing of clinical/commercial product for partners is recognised on a percentage of completion basis over time as the processes are carried out. Progress is determined based on the achievement of verifiable stages of the bioprocessing process. Revenues are recognised on a percentage of completion basis and as such require estimation in terms of the assessment of the correct stage of completion including the expected costs of completion for that specific bioprocessing batch. The value of the revenue recognised with regards to the bioprocessing batches which remain in progress at period end is £12.9 million. If the assessed percentage of completion was 10 percentage points higher or lower, revenue recognised in the period would have been £1.1 million higher or £1.6 million lower.

Revenue recognition: Percentage of completion of fixed price process development revenues

As it satisfies its performance obligations, the Group recognises revenue and the related contract asset with regards to fixed price process development work packages. Revenues are recognised on a percentage of completion basis and as such require estimation in terms of the assessment of the correct percentage of completion for that specific process development work package. The value of the revenue recognised with regards to the work packages which remain in progress at year end is £11.9 million. If the assessed percentage of completion was 10 percentage points higher or lower, revenue recognised in the period would have been £1.9 million higher or £2.2 million lower.

Revenue recognition: Provision for out of specification bioprocessing batches

Bioprocessing of clinical/commercial product for partners is recognised on a percentage of completion basis over time as the processes are carried out. Progress is determined based on the achievement of verifiable stages of the process.

As the Group has now been bioprocessing product across a number of years, and also in a commercial capacity, the Group has assessed the need to include an estimate of bioprocessed product for which revenue has previously been recognised and which may be reversed should the product go out of specification during the remaining period over which the product is bioprocessed. In calculating this estimate the Group has looked at historical rates of out of specification batches across the last five years and has applied the percentage of out of specification batches to total batches produced across the assessed period to the revenue recognised on batches which have not yet completed the bioprocessing process at period end. The Group makes specific provisions for product batches where it is considered that the average overall historical failure rate does not adequately cover the perceived risk of revenue recognised on those specific batches having to be subsequently reversed.

This estimate, based on the historical average percentage as well as certain specific provisions, may be significantly higher or lower depending on the number of bioprocessing batches actually going out of specification in future. The estimate will increase or decrease based on the number of bioprocessing batches undertaken, the percentage of completion of those bioprocessing batches, and the number of batches which go out of specification over the assessment period.

Consequently, bioprocessing revenue of £1.1 million (31 December 2022: £2.6 million) has not been recognised during the year ended 31 December 2023 with the corresponding credit to contract liabilities. This revenue will be recognised as the batches complete bioprocessing.

Impairment assessment of OXB (US) LLC Cash Generating Unit (CGU)

Oxford Biomedica (US) has been identified as a CGU (cash generating unit) of the business. Since the last impairment assessment performed, an impairment trigger was identified in that it was assessed that the CGU did not meet the original revenues forecasted as part of the acquisition of Oxford Biomedica (US) and the business unit's largest customer, Homology Medicines, gave notice that it was not intending to progress development of its clinical products any further. Accordingly, a full impairment assessment has been performed as at 31 December 2023.

The recoverable amount of the CGU is deemed to be the higher of its fair value less cost of disposal, or value in use. The Group has determined that the recoverable amount of the CGU is the fair value less costs of disposal (FVL COD) of the OXB (US) LLC CGU as it expects this value to be higher than the value in use. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Management's approach and the key assumptions used to determine the CGU's FVL COD were as follows:

The Group assessed the FVL COD of the OXB (US) LLC CGU through a discounted cash flow calculation to approximate the fair value a buyer would be willing to pay for the CGU. The discounted cash flow calculation calculates the present value of the CGU taking into consideration the forecasted cash flows based on the Board approved long term forecast, as well as the calculation of the terminal value at the end of the cash flow period. Management has prepared the FVL COD calculation based on an approved forecast of 10 years.

Management have assessed this to be 10 years followed by the calculation of the terminal value. The forecast period has been brought down from 15 years to 10 years as the CGU did not meet the original revenues forecasted as part of the acquisition of OXB (US) LLC and the business unit's largest customer, Homology Medicines gave notice that it was not intending to progress development of its clinical products any further. This created sufficient uncertainty regarding outer years for management to assess that a 10 year forecast would be more appropriate.

Sensitivity Calculation:

Key estimation uncertainty inputs which directly impact the valuation of the CGU are assessed to be:

- Revenue growth rates including the ability of the CGU to acquire new clients and increase revenues from existing clients. Average growth rates of 34% over the period as assessed to be the expected growth rates for a start-up CDMO entity over the initial growth period after which growth rates are brought down to more inflationary levels. Revenues include revenues with respect to the Lentivector platform which will be commercialised through the Solutions business from 2025 onwards. We have estimated that 20% of the current Group pipeline will be routed through the US business;
- Discount rate - the discount rate may be impacted by economic and market factors, as well as changes to the risk free rate of return which impacts debt borrowing rates. Should the discount rate calculated by management be adjusted, this may impact the FVL COD of the CGU. The discount rate used of 12.3% has been calculated based on the current risk free rate, the NASDAQ biotechnology Index's expected rate of return, and the Group's cost of debt;
- Operational expenditure and capital expenditure - the cash flows of OXB (US) LLC are based on the management approved forecasts. These forecast may change in future or the actual results vary;
- Long term inflation rates in the United States which are used to approximate the long term growth rate into perpetuity for the terminal value;
- Operational expenditure and capital expenditure - the cash flows of OXB (US) LLC are based on the management approved forecasts. These forecast may change in future or the actual results vary;
- Long term inflation rates in the United States which are used to approximate the long term growth rate into perpetuity for the terminal value;

Sensitivities

31-Dec-23

Higher/
Lower/

Higher/
Lower/

| 31-Dec-23 | Longer Higher/ Longer | Shorter Lower/ Shorter |
|---|-----------------------------|------------------------------|
| | £'M's | £'M's |
| Forecast revenues 10% higher or lower | 45.8 | (47.7) |
| Operational expenditure 10% higher or lower | (30.4) | 29.8 |
| Capital expenditure 10% higher or lower | (2.5) | 2.6 |
| Group technology licencing charge 10% higher or lower | (2.3) | 2.4 |
| Long term inflation rates 2% higher or lower | 27.7 | (17.8) |
| Discount rate 3% higher or lower | (30.1) | 64.0 |

Based on the valuation of the CGU through a discounted cash flow calculation, the Group has assessed that an impairment of OXB (US) LLC of £99.3 million (\$126.4 million) was required at 31 December 2023. This impairment has been reflected in the financial statements of the Group at year end 31 December 2023. No impairment triggers were identified in the prior year and therefore no full assessment was required to be performed.

Amortisation of intangibles assets (developed technology)

The estimated useful life of developed technology acquired by the Group is 15 years as the Group expects the technology to generate cash flows for a total of 15 years. The estimate of 15 years is based on management's experience of the time period over which the technology acquired as part of the acquisition of OXB (US) LLC will become fully obsolete. Over time as the platform technology is improved, parts of the technology become obsolete as they are superseded by new technology until after 15 years the original technology is expected to have been fully replaced by newer/improved technology.

The effective date of the impairment of OXB (US) LLC was 31 December 2023, therefore the amortisation charge in 2023 is pre-impairment. If the estimated useful life of the assets had been 10 years, the estimated amortisation for the year ended 31 December 2023 would be £3.6 million higher (2022: £1.2 million); whilst, if the estimated useful life of the assets had been 20 years, the estimated amortisation for the year ended 31 December 2023 would be £1.8 million lower (2022: £0.6m).

Valuation of put option liability

Where a put option with non-controlling shareholders exists on their equity interests, a liability for the fair value of the exercise price of the option is recognised. On 10 March 2022, the Group recognised a put option liability to acquire the remaining 20% of OXB (US) LLC that it doesn't already own, from Homology. The fair value of the option at the date of acquisition was assessed to be £39.0 million. At 31 December 2023, the fair value of the put option liability was £9.3 million (Dec 2022: £38.2m).

The Group estimates the value of the put liability using a Monte Carlo simulation which calculates the expected future exercise value of the put option, taking into consideration OXB (US) LLC's forecasted revenues over the period up until the expected exercise date along with the expected volatility of those revenues over that same period. The expected future exercise value is then discounted to the present using a discount rate in order to capture the counter party risk of the expected payment.

Key estimation and judgemental uncertainty inputs which directly impact the valuation of the put option liability are assessed to be:

- Revenues of OXB (US) LLC -the revenues of OXB (US) LLC are based on the management approved forecast up until the end of the option period. Should the forecast change or the actual results vary this may impact the value of the put option liability;
- Expected volatility of revenues- should the expected volatility of OXB (US) LLC revenues vary, this may impact the value of the put option liability; and
- Discount rate - the discount rate may be impacted by economic and market factors, as well as changes to the risk free rate of return which impacts debt borrowing rates. Should the discount rate calculated by management be adjusted, this may impact the value of the put option. Management has calculated the discount rate based on the risk free rate, the expected return from similar companies and the Group's cost of debt.
- Expected exercise date - this is judged to be 10 March 2025 which is 3 years since the date of the Agreement. This is the earliest date on which both parties to the option have the ability to unilaterally exercise the option.

| Put option liability 31-Dec-23 | Fair value | |
|--|--------------------|--------------------|
| | Increase £'000s | Decrease £'000s |
| Revenues of OXB (US) LLC 20% higher or lower | 1,900 | (1,900) |
| Discount rate 2% lower or higher | 200 | (200) |

3. Taxation

The Group claims research and development tax credits under the UK Government's Large Company scheme.

| | 2023 | 2022 |
|--|----------------|--------------|
| | £'000 | £'000 |
| Current tax | | |
| Corporation tax | (1,487) | (1,282) |
| | (1,487) | (1,282) |
| Adjustments in respect of prior periods: | | |
| United Kingdom corporation tax research and development credit | (58) | 307 |
| Current tax | (1,545) | (975) |
| Deferred tax | | |
| Deferred tax relating to the origination of timing differences | 5,910 | 1,792 |
| Deferred tax | 5,910 | 1,792 |
| Taxation credit | 4,365 | 817 |

UK income tax

The amount of £1,487,000 (2022: £1,282,000) included as part of the taxation charge within the Statement of Comprehensive income for the year ended 31 December 2023 comprises the corporation tax payable on the amount claimed as a Large Company Tax credit (RDEC) within research and development expenses in the Statement of Comprehensive Income.

The adjustment of current tax in respect of the prior year is £58,000. The adjustment in 2022 was £307,000 which related to the corporation tax credit on a lower than anticipated RDEC tax receipt.

The United Kingdom corporation tax research and development (RDEC) credit which is included in research and development expenses, is paid in arrears once tax returns have been filed and agreed. The tax credit recognised in the financial statements but not yet received is included in trade and other receivables in the Statement of financial position.

During 2023, the Group recognised £nil (2022: £125,000) of current tax relating to tax relief obtained on exercise of share options directly within equity.

4. Basic and diluted profit/(loss) per ordinary share

The basic loss per share of (163.11)p (2022: (41.29)p) has been calculated by dividing the (loss) for the period by the weighted average number of shares in issue during the year ended 31 December 2023 being 96,555,347 (2022: 94,829,892).

As the Group made a loss this year and the prior year, there is therefore no difference between the basic loss per ordinary share and the diluted loss per ordinary share in the current period.

5. Finance Costs

Finance costs of £9.3 million (2022: £16.7 million) consists of loan interest £4.6 million (2022: £5.6 million), foreign exchange gains relating to loans £1.9 million (2022: loss £8.0 million) and lease liability interest recognised in accordance with IFRS 16 (Leases) £6.1million (2022: £3.1 million).

6. Intangible Assets

| | Goodwill | Developed technology | Patents | Total |
|--|------------|----------------------|--------------|----------------|
| Note | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| At 1 January 2022 | - | - | 5,636 | 5,636 |
| Acquisitions through business combinations | 610 | 102,869 | - | 103,479 |
| Retirements | - | - | (3,825) | (3,825) |
| Effects of movements in exchange rates | 51 | 8,536 | - | 8,587 |
| At 31 December 2022 | 661 | 111,405 | 1,811 | 113,877 |
| Effects of movements in exchange rates | (33) | (5,516) | - | (5,549) |
| At 31 December 2023 | 628 | 105,889 | 1,811 | 108,328 |

| | | 2023 | 2022 | 2021 | 2020 |
|--|------|------------|----------------------|--------------|---------------|
| | | Goodwill | Developed technology | Patents | Total |
| Amortisation and impairment | | | | | |
| At 1 January 2022 | | £'000 | £'000 | £'000 | £'000 |
| Charge for the period | Note | - | 6,072 | 16 | 6,088 |
| Retirements | | - | - | (3,797) | (3,797) |
| Effects of movements in exchange rates | | - | 116 | - | 116 |
| At 31 December 2022 | | - | 6,188 | 1,803 | 7,991 |
| Charge for the period | | - | 7,205 | 2 | 7,207 |
| Impairment of assets | | 628 | 61,972 | - | 62,600 |
| Effects of movements in exchange rates | | - | (451) | - | (451) |
| At 31 December 2023 | | 628 | 74,914 | 1,805 | 77,347 |
| Net book amount at 31 December 2023 | | - | 30,975 | 6 | 30,981 |
| Net book amount at 31 December 2022 | | 661 | 105,217 | 8 | 105,886 |

Intangible assets comprise Goodwill, Developed Technology and Patents for intellectual property rights. The Group has not capitalised any internally generated intangible assets.

An impairment indicator relating to the manufacturing and process development operation of the OXB (US) LLC Cash-generating unit (CGU) located at the Bedford site in the United States, was identified. The CGU was tested for impairment at 31 December 2023 with an impairment of £99.3 million being recognised of which £62.6 million has been allocated to intangible assets on a pro-rata basis based on the carrying value of the intangible asset as a proportion of the total assets of the CGU, in line with the requirements of IFRS.

7. Property, plant and equipment

| | Freehold property | Leasehold improvements | Office equipment and computers | Bio-processing and Laboratory equipment | Right-of-use assets | Total |
|--|-------------------|------------------------|--------------------------------|---|---------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | | |
| At 1 January 2023 | 9,848 | 60,228 | 12,420 | 48,596 | 57,146 | 188,238 |
| Additions at cost | - | 3,155 | 1,474 | 5,203 | 4,357 | 14,189 |
| Reallocation between asset classes | - | 943 | (222) | 2,999 | (3,720) | - |
| Disposals | (9,848) | (1,318) | (2,872) | (510) | (5,155) | (19,703) |
| Change of Estimate | - | - | - | - | (552) | (552) |
| Effects of movements in exchange rates | - | (1,945) | (429) | (1,328) | (1,310) | (5,012) |
| At 31 December 2023 | - | 61,063 | 10,371 | 54,960 | 50,766 | 177,160 |
| Depreciation & Impairment | | | | | | |
| At 1 January 2023 | 6,494 | 11,440 | 9,042 | 18,386 | 9,096 | 54,458 |
| Charge for the period | 336 | 5,760 | 1,765 | 8,034 | 5,609 | 21,504 |
| Reallocation between asset classes | - | 958 | (226) | 1,691 | (2,423) | - |
| Impairment of assets | - | 16,056 | 479 | 7,234 | 12,914 | 36,683 |
| Effects of movements in exchange rates | - | (194) | (8) | (129) | (190) | (521) |
| Disposals | (6,830) | (119) | (2,870) | (234) | (603) | (10,656) |
| At 31 December 2023 | - | 33,901 | 8,182 | 34,982 | 24,403 | 101,468 |
| Net book amount at 31 December 2023 | - | 27,162 | 2,189 | 19,978 | 26,363 | 75,692 |

An impairment indicator relating to the manufacturing and process development operation of the OXB (US) LLC Cash-generating unit (CGU) located at the Bedford site in the United States, was identified. The CGU was tested for impairment at 31 December 2023 with an impairment of £99.3 million being recognised of which £36.7 million has been allocated to property, plant and equipment on a pro-rata basis based on the carrying value of the fixed assets as a proportion of the total assets of the CGU, in line with the requirements of IFRS.

8. Inventory

| | 2023 | 2022 |
|------------------------|---------------|---------------|
| | £'000 | £'000 |
| Raw materials | 12,872 | 12,625 |
| Total Inventory | 12,872 | 12,625 |

Inventories constitute raw materials held for commercial bioprocessing purposes, all of which the Group expects to recover within the next 12 months.

During the year, the Group wrote down £2,066,000 (2022: £1,117,000) of inventory which is not expected to be used in production or sold onwards. The Company holds no inventories.

9. Trade and other receivables

| | 2023 | 2022 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Current | | |
| Trade receivables | 8,114 | 34,109 |
| Contract assets | 5,228 | 10,897 |
| Other receivables | 2,081 | 4,855 |
| Other tax receivable | 4,962 | 7,757 |
| Prepayments | 4,356 | 3,976 |
| Total trade and other receivables | 24,741 | 61,594 |

Non-current trade and other receivables constitute other receivables of £4,340,000 (2022: £5,010,000) which are deposits held in escrow as part of the Oxbox lease arrangements as well as security deposits held on the Group's Bedford facility lease.

The fair value of trade and other receivables are the current book values. The Group has performed an impairment assessment under IFRS 9 and has concluded that the application of the expected credit loss model has had an immaterial impact on the level of impairment of receivables.

Included in the Group's trade receivable balance are debtors with a carrying amount of £3,472,000 (2022: £1,336,000) which were past due at the reporting date and of which £3,466,000 (2022: £1,333,000) has been received after the reporting date.

Contract assets

The balance of £5.2 million (2022: £10.9 million) mainly relates to commercial development milestones which have been accrued as the specific conditions stipulated in the licence agreement have been met, commercial development work orders accrued on a percentage complete basis which will be invoiced as the related work package completes, and bioprocessing batches accrued on a percentage of completion basis which will be invoiced as the manufacturing of the batch is completed.

Contract assets have decreased from £10.9 million at the end of 2022 to £5.2 million at the end of 2023 due to the timing of bioprocessing and commercial development activities undertaken during the year leading to a lower level of consideration for work completed but not yet billed.

The Group performed an impairment assessment under IFRS 9 and has concluded that the application of the expected credit loss model has had an immaterial impact on the level of impairment on contract assets. The Group has noted there has been no change in the time frame for a right to consideration to become unconditional and the performance obligation to be satisfied.

10. Trade and other payables

| | 2023 | 2022 |
|---------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Trade payables | 6,052 | 13,604 |
| Other taxation and social security | 1,478 | 2,347 |
| Accruals | 10,272 | 20,628 |
| Total Trade and other payables | 17,802 | 36,579 |

11. Contract liabilities and deferred income

Contract liabilities and deferred income arise when the Group has received payment for services in excess of the stage of completion of the services being provided.

Contract liabilities and deferred income have increased from £20.4 million at the end of 2022 to £27.4 million at the end of 2023 due to funds received in advance for future licensing, bioprocessing and process development activities. Of the £20.4 million balance included in the statement of financial position at the end of 2022, £11.8 million has been recognised as revenue during the 2023 financial year.

| Years | 0-1 | 1-3 | 3-5 | 5-10 | Total |
|-----------------------------|---------------|--------------|------------|------------|---------------|
| At 31 December 2023 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Contract Liabilities | 21,598 | 4,467 | 27 | - | 26,092 |
| Bioprocessing income | 18,784 | 3,738 | - | - | 22,522 |
| Process development income | 2,798 | 697 | - | - | 3,495 |
| Licence fees and incentives | 16 | 32 | 27 | - | 75 |
| Deferred Income | 514 | 428 | 287 | 122 | 1,351 |

| Years | 2021 | 2022 | 2023 | 2024 | Total |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Grant | 514 | 428 | 287 | 122 | 1,351 |
| At 31 December 2023 | £'000 | £'000 | £'000 | £'000 | £'000 |

Included within bioprocessing contract liabilities is revenue of £1.1 million which has not been recognised during 2023 (2022: £2.6 million) relating to the estimate of out of specification batches (see note 2: Estimations for additional information).

Deferred income relates to grant funding received from the UK Government for capital equipment purchased as part of the Oxbox bioprocessing facility expansion. The income will be recognised over the period over which the purchased assets are depreciated.

12. Provisions

| | 2023 | 2022 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| At 1 January | 8,424 | 6,244 |
| Unwinding of discount | 528 | 66 |
| New provision | 772 | 3,463 |
| Change in estimate | (552) | (1,349) |
| Derecognition | (715) | - |
| At 31 December | 8,457 | 8,424 |

Provisions are exclusively in respect of dilapidations. The new provision during the year relates to new lease liabilities as a result of the sale and leaseback of the Harrow House facility and is based on the anticipated costs of restoring the leasehold properties at the end of the lease terms which is 2033. The existing dilapidations provisions relate to anticipated costs of restoring the leasehold properties at the Corporate Office, Oxbox, Wallingford Warehouse, Windrush Court and Yarnton properties in Oxford and Wallingford, UK to their original condition at the end of the lease terms in 2030, 2033, 2037 and 2024 respectively.

The Windrush Innovation centre was surrendered in November 2023 with no restoration costs incurred resulting in the release of the related restoration provision of £715,000 in 2023.

The future anticipated costs of restoring the properties is calculated by inflating the current expected restoration costs using the 3 year historic UK Consumer Price Inflation rate, up to the end of the lease term. The discount rate utilised for the purpose of determining the present value of the provision is 7.69% (2022: 5.41%) based on the risk free rate adjusted for inflation. The present value of the future anticipated costs of restoration is calculated by discounting the future expected value using the nominal rate. The unwinding of this discount over time is included within finance costs.

13. Loans

On 10 March 2022, the Group drew down an \$85 million loan facility with Oaktree to finance the acquisition of OXB (US) LLC under a 1 year facility agreement maturing in 2023. Over the course of the term loan interest was payable quarterly with a nominal interest rate on the loan of 8.5%.

On 7 October 2022, the loan facility was refinanced with Oaktree. Under the terms of such refinancing, the Company has partially repaid the outstanding amounts and amended the facility into a new senior secured four year term loan facility provided by Oaktree in a principal amount of \$50 million. The term loan carries a variable interest rate, which is capped at 10.25% per annum and payable quarterly in cash, with up to 50% of interest for the first twelve months payable in kind as additional loan principal, at the option of the Company. The interest rate is subject to downward adjustment following the satisfaction of certain commercial conditions.

The Company also has secured the option, subject to the same commercial conditions as the amended facility and available for a three- year period, to draw down a further \$25 million from Oaktree to fund certain permitted acquisitions. If the option were to be exercised, it would be assessed against meeting the substantial modification requirements under IFRS 9.

The terms include financial covenants including holding a minimum of \$20 million cash at all times, restrictions on the level of indebtedness the Group may enter into or distributions made by the Group. The Oaktree facility was secured by a pledge over substantially all of the Group's assets.

| | 2023 | 2022 |
|---------------------------|---------|----------|
| | £'000 | £'000 |
| At 1 January | 39,780 | - |
| New loan | - | 64,866 |
| Interest accrued | 4,570 | 5,564 |
| Interest paid | (4,136) | (4,554) |
| Foreign exchange movement | (2,003) | 7,964 |
| Amortised fees | 323 | 588 |
| Loan repayment | - | (31,424) |
| Arrangement fees | - | (3,224) |

| | | |
|-----------------------|---------------|---------------|
| At 31 December | 38,534 | 39,786 |
| | £'000 | £'000 |

14. Put option liability

| | 2023 | 2022 |
|--------------------------|--------------|---------------|
| | £'000 | £'000 |
| At 1 January | 38,182 | - |
| Recognised at fair value | - | 38,996 |
| Revaluation | (28,834) | (814) |
| At 31 December | 9,348 | 38,182 |

On 10 March 2022, the Group recognised a put option liability to acquire the remaining 20% of OXB (US) LLC that it doesn't already own from Homology. The fair value of the option at the date of acquisition was assessed to be £39 million.

At 31 December 2023 the fair value of the Put option liability was £9.3 million (Dec 2022: £38.2m). The lower liability valuation was due a decrease in the value at which the option is expected to be exercised as a result of lower forecasted revenues over the option period.

15. Leases

| Right of use assets: | Property | Equipment | Total |
|--|-----------------|------------------|---------------|
| | £'000 | £'000 | £'000 |
| Balance at 1 January 2023 | 46,000 | 2,050 | 48,050 |
| Additions | 4,357 | - | 4,357 |
| Disposals | (4,552) | (1,305) | (5,857) |
| Impairment of assets | (12,914) | - | (12,914) |
| Change in Estimate | (552) | - | (552) |
| Depreciation charge for the period | (4,864) | (745) | (5,609) |
| Effects of movements in exchange rates | (1,101) | - | (1,101) |
| Balance at 31 December 2023 | 26,374 | - | 26,374 |

| Lease Liabilities: | 2023 | 2022 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Maturity analysis - contractual undiscounted cash flows | | |
| Less than one year | 9,439 | 9,179 |
| One to five years | 40,896 | 43,035 |
| Six to ten years | 43,090 | 42,224 |
| More than ten years | 19,861 | 25,059 |
| Total undiscounted cash flows | 113,286 | 119,497 |

| | 2023 | 2022 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Lease liabilities included in the Statement of Financial Position | | |
| Current | 3,654 | 3,295 |
| Non-current | 69,270 | 71,206 |
| Total undiscounted cash flows | 72,924 | 74,501 |

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts recognised in statement of comprehensive income | | |
| Interest on lease liabilities | 6,101 | 3,124 |
| Expense relating to short-term leases | 234 | 178 |

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Amounts recognised in statement of cash flows | | |
| Total cash outflow for leases | 9,219 | 4,244 |

16. Share capital and Share premium

At 31 December 2023 Oxford Biomedica had an issued share capital of 96,804,353 (2022: 26,263,165)

ordinary 50 pence shares respectively.

541,188 shares were created as a result of the exercise of options by employees during the period.

17. Cash flows from operating activities

| | 2023 £'000 | 2022 £'000 |
|--|-----------------|-----------------|
| Continuing operations | | |
| Loss before tax | (188,527) | (45,976) |
| Adjustment for: | | |
| Depreciation | 21,504 | 20,271 |
| Amortisation of intangible assets | 7,206 | 6,088 |
| Impairment charge | 99,285 | - |
| Loss on disposal of property, plant and equipment | 197 | 28 |
| Gain on sale and leaseback | (1,018) | (21,389) |
| Loss on disposal of intangible | - | 27 |
| Amortisation of loan fees | - | 588 |
| Net finance costs | 4,353 | 15,756 |
| Charge in relation to employee share schemes | 3,516 | 6,471 |
| Non- cash loss | - | 51 |
| Changes in working capital: | | |
| Decrease/(increase) in contract assets and trade and other receivables | 28,793 | (17,876) |
| (Decrease)/increase in trade and other payables | (18,125) | 16,959 |
| Increase in contract liabilities | 7,034 | 5,852 |
| (Decrease) in deferred income | - | (691) |
| Increase in provisions | 2 | - |
| (Increase)/decrease in inventory | (247) | 668 |
| Net cash used in operations | (36,027) | (13,173) |

18. Non-controlling interest ("NCI")

The proportion of the identifiable net assets of the Non-controlling interest in Oxford Biomedica (US) LLC on acquisition was determined to be £34,642,000.

The following table summarises the information relating to the Group's subsidiary that has material NCI:

| | 2023 £'000 | 2022 £'000 |
|---|------------------|-----------------|
| NCI percentage | 20% | 20% |
| Non-current assets | 50,282 | 171,419 |
| Current assets | 11,813 | 29,732 |
| Non-current liabilities | (22,479) | (7,473) |
| Current liabilities | (20,477) | (35,979) |
| Net assets | 19,139 | 157,699 |
| Net assets attributable to NCI | 3,828 | 31,539 |
| Revenue | 26,813 | 23,722 |
| Profit | (133,361) | (30,011) |
| OCI | (7,190) | 13,756 |
| Total comprehensive income | (140,551) | (16,255) |
| Profit allocated to NCI | (26,672) | (6,002) |
| OCI allocated to NCI | (1,438) | 2,750 |
| Cash flows from operating activities | (15,105) | (9,732) |
| Cash flows from investment activities | 3,077 | 30,867 |
| Cash flow from financing activities (dividends to NCI: nil) | (3,717) | (2,293) |
| Net increase in cash and cash equivalents | (15,745) | 18,842 |

19. Contingent liabilities and capital commitments

The Group has a letter of credit £1,405,000 (2022: £1,405,000) related to the deposit on the Patriots Park lease which is disclosed within Trade and other receivables in non current assets. The Group had

commitments of £3,476,000 for capital expenditure for leasehold improvements and plant and equipment not provided for in the financial statements at 31 December 2023 (2022: £2,882,000).

20. Related party transactions

| | Transactions | | Balance outstanding | |
|---|--------------|--------|---------------------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Sales of goods and services | | | | |
| Homology Medicines, Inc | 23,664 | 23,252 | 2,429 | 4,334 |
| Purchase of services | | | | |
| Homology Medicines, Inc | 387 | 4,258 | 17 | 1,158 |
| Other | | | | |
| Homology Medicines, Inc - rental income | 1,074 | 1,085 | 258 | 424 |

21. Subsequent events

On 29 January 2024 the Group acquired 100% of ABL Europe SAS (recently renamed Oxford Biomedica (France) SAS) from Institut Mérieux SAS for a consideration of €15 million, which included €10million of pre-completion cash funding from Institut Mérieux in ABL Europe Oxford Biomedica (France) in exchange for 3,149,374 new ordinary shares in the Company, which have been issued at a price of 407.4p.

This acquisition will be treated as a business combination under IFRS 3. The Group did not disclose an accounting policy or fair value as required by IFRS 3, due to the short period of time from the date of acquisition till issuance of the annual accounts.

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