

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

Final Results and Notice of AGM

The Board of 4basebio plc is pleased to report the results for the financial year ended 31 December 2023.

The annual report and accounts together with a notice of the Company's annual general meeting, which is to be held on 28 June 2024 at 9:00am in the offices of 4basebio plc are expected to be uploaded to the Company's website and posted to shareholders shortly.

The annual general meeting will be followed by a presentation from the Company through the Investor Meet Company platform on 2 July 2024 at 10am. Investors can sign up to Investor Meet Company for free and register interest here: <https://www.investormeetcompany.com/4basebio-plc/register-investor>.

Highlights

- First sale of HQ synthetic DNA batch
- First order for GMP synthetic DNA
- Six novel patent filings
- Delivered over 25 customer projects during 2023

Overview

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

4basebio is a technology company, which is a market leader in the development and commercialisation of large scale manufacture of synthetic DNA as well as nanoparticle delivery solutions. The Group continues to expand its commercial platform. Its customers are active in the cell & gene therapy and vaccine markets, across mRNA therapeutics and vaccines, AAV, gene editing and DNA vaccines.

The Group's technology platforms offer its customers application specific product and performance benefits, with its synthetic DNA also benefitting from much faster turnaround times relative to incumbent plasmid DNA. It also continues to invest in research and development activities to further develop its platforms and expand its product offering, particularly focused on different DNA modalities including single stranded and circular synthetic DNA constructs.

Dr Heikki Lanckriet, CEO and CSO for 4basebio, said: "The evolution of the Group since its spin out from Germany at the end of 2020 has been profound. Having scaled its DNA manufacturing from nanogram to multi-gram scale over this time, 4basebio fulfilled over 25 customer projects in 2023.

Further evidencing the Group's accelerating commercial progress, 4basebio recently announced its client, HelixNano Technologies Inc. received approval of its mRNA vaccine product for first in human trials in Australia, which used 4basebio opDNA™ in the manufacture of the vaccine. The Group also announced the supply of HQ and GMP grade synthetic DNA into a tier one pharma company's vaccine program.

4basebio is now on the cusp of strong commercial growth and 2024 promises to be a very exciting year."

For further enquiries, please contact:

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Chairman's statement

Performance

During the course of 2023, 4basebio continued to scale up its commercial activities alongside ongoing product innovation. The emphasis during the year was on its synthetic DNA platform, with the Group recognising revenue on approximately 25 customer projects including the sale of its first High Quality DNA; it also took receipt of orders for GMP grade product due for delivery in 2024.

The manufacture and sale of GMP ("Good Manufacturing Practice") grade synthetic DNA is a significant milestone for 4basebio with the receipt of GMP orders an important step. While the Group's journey to GMP has not been without its challenges, it is pleasing to reflect on the significant progress made. Evidence of the Group's development also came in the form of its client, HelixNano Technologies Inc., announcing in March 2024 approval of its mRNA vaccine product for first in human trials in Australia. 4basebio opDNA™ was used in manufacturing the vaccine.

The Group also continued to develop its non-viral delivery platform, Hermes™. As announced during the year, 4basebio received grant funding from the Bill & Melinda Gates Foundation to pursue a research program to further advance its nanoparticle platform with enhanced thermostability for use in infectious disease vaccine applications.

Thermo-stability was an important consideration in the use of mRNA vaccines used during the Covid-19 epidemic. Those vaccines required -80C freezer storage to remain effective, presenting significant logistical challenges and cost considerations in the distribution of vaccines for pandemic response.

Preliminary findings demonstrate the Hermes™ product offers superior particle stability at higher temperatures, a commercially significant consideration in the context of meeting future vaccine demands, particularly in countries where cold supply chain logistics are challenging.

Alongside these commercial developments, the Group continues to invest in its intellectual property. During 2023 and early 2024, six new patent applications were filed and this is expected to continue. The Group now has 17 patent families around its DNA platform and a further four patent families centred on its Hermes™ technology.

It is important that the Group acts to protect its intellectual property. As a result it has pursued legal action in Spain to protect against infringement and/or misappropriation of its intellectual property. This has led to belated counter claims during the year which the Board and its legal advisors consider unfounded and without merit and is further described in note 26 to the financial statements.

With the objectives outlined above, the Group continued to invest during 2023 with a resultant net loss for the year of £7.7 million.

Strengthening the Group's commercial, client onboarding and operations teams was an important focus in the year, with overall headcount of 84 at year end.

The Board is pleased with the commercial progress made during 2023 and believes 4basebio is well placed to grow revenues strongly in 2024. Nevertheless, 4basebio will remain loss making during 2024 and the Group will utilise its loan facility with 2Invest AG, a major shareholder and former parent company, to fund its activities.

Strategy

4basebio's principal objective is to become the leading provider of synthetic DNA products and non-viral delivery technology for the cell & gene therapy and vaccines markets. The Board believes the Group is well placed to do this, with a combination of a uniquely flexible synthetic DNA technology alongside its nanoparticle platform, a key competitive differentiator.

The flexibility in its DNA platform has facilitated the development of application specific products, which offer valuable performance benefits over alternative solutions. The overall objective is to continue developing and commercialising the most efficient and highest performant DNA products for each application.

An excellent example of this is supply of DNA for mRNA production; for this market, 4basebio manufactures and supplies the requisite linearised open ended DNA, its opDNA™, required for *in vitro* transcription, the process of converting DNA into mRNA. This compares highly favourably with other products which require a further step of linearisation (in the case of plasmid DNA) or de-ending (in the case of alternative synthetic DNA).

Alongside this, the Group has also focused on developing internal application relevant expertise, enabling the preparation and provision of data packages for prospective clients highlighting the benefits of 4basebio products in their specific field of application.

As a result, the Group has generated a breadth of highly relevant commercial data which it can share with customers. It also means that 4basebio understands how its products will perform in the hands of its customers, a key consideration in meeting customer expectations.

The Group continues to focus on working with each customer along their journey from research use through high quality batches and eventual GMP grade synthetic DNA. As the customer progresses, so does the requirement for both higher quality and quantity of product. As customers advance through their therapeutic development programs, the Group expects significant revenues to be generated from these projects.

Share Price

The share price opened the year at 710 pence and softened during the course of the year to recover in November and December, to close at 680 pence. Trading volumes during the year represented approximately 4% of shares in issue, with a typical daily trading volume of 2,270 shares

At year end, approximately 70% of the Company's shares were closely held between the Company's largest shareholders and Board directors. Whilst the Board has limited visibility on holdings below the reporting threshold of 3%, given shares are typically held in nominee accounts, the Board believes that a significant portion of the remaining shares is owned by long term shareholders.

People and Culture

As an innovative life sciences Group, 4basebio is science led, with over three-quarters of its workforce holding scientific degrees. This has facilitated the rapid development of the Group's technology platforms, as well as commercial and manufacturing teams.

The Group strives to maintain an open, informal and supportive organisational culture. With the growth in headcount, maintaining the Group's core values becomes ever more important and is a focus of staff at all levels of the organisation.

The Board would like to thank all staff for their commitment and dedication over the past year which has been instrumental in 4basebio's continued progress.

Tim McCarthy
Chairman

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

[in £'000]

	2023	2022
Revenues	506	268
Cost of goods sold	(166)	(29)
Gross profit	340	239
Sales and marketing expenses	(586)	(245)
Administration expenses	(3,250)	(2,711)
Operation expenses	(1,417)	(928)
Research and non-capitalised development expenses	(3,560)	(2,081)
Other operating expenses	(85)	(181)
Other operating income	506	67
Loss from operations	(8,052)	(5,840)
Finance expense	(302)	(89)
Financial result	(302)	(89)
Loss before tax	(8,354)	(5,929)
Income tax income / (expense)	689	779
Loss for the year	(7,665)	(5,150)
Loss per share		
• Basic and diluted (in £/share)	(0.62)	(0.42)
Items that may be reclassified to the income statement in subsequent periods		
Exchange differences on translation of foreign operations	(172)	447
Total comprehensive income	(7,837)	(4,703)

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

Consolidated statement of financial position

31 December 2023

[in £'000]

	Note	2023	2022
Assets			
Intangible assets	13	2,669	2,124
Property, plant and equipment	15	4,197	3,633
Other non-current assets	19	34	35
Non-current assets		6,900	5,792
Inventories	17	332	133
Trade receivables	18	107	54
Other current assets	19	1,514	1,359
Cash and cash equivalents	20	3,069	4,351
Current assets		5,022	5,897
Total assets		11,922	11,689
Liabilities			
Financial liabilities	22	(392)	(415)
Trade payables		(694)	(490)
Other current liabilities	23	(1,191)	(613)
Current liabilities		(2,277)	(1,518)
Financial liabilities	22	(10,065)	(2,935)
Other liabilities	23	(72)	(116)
Non-current liabilities		(10,137)	(3,051)
Total liabilities		(12,414)	(4,569)
Net (liabilities) / assets		(492)	7,120
Share capital	21	11,132	11,130
Share premium	21	706	706
Merger reserve	21	688	688
Capital reserve	21	13,530	13,307
Foreign exchange reserve	21	(158)	14
Profit and loss reserve	21	(26,390)	(18,725)
Total Equity		(492)	7,120

Consolidated statement of changes in equity

for the year ended 31 December 2023

[in £'000]	Share capital	Share premium	Merger reserve	Capital reserve	Foreign exchange reserve	Profit and loss reserve	Total equity
Balance at 1 January 2023	11,130	706	688	13,307	14	(18,725)	7,120
Loss for the year	-	-	-	-	-	(7,665)	(7,665)
Shares issued in period	2	-	-	-	-	-	2
Foreign Exchange difference arising on translation of 4basebio S.L.U.	-	-	-	-	(172)	-	(172)
Share based payments	-	-	-	223	-	-	223
Balance at 31 December 2023	11,132	706	688	13,530	(158)	(26,390)	(492)
[in £'000]	Share capital	Share premium	Merger reserve	Capital reserve	Foreign exchange reserve	Profit and loss reserve	Total equity
Balance at 1 January 2022	11,130	706	688	13,179	(433)	(13,575)	11,695
Loss for the year	-	-	-	-	-	(5,150)	(5,150)
Foreign Exchange difference arising on translation of 4basebio S.L.U.	-	-	-	-	447	-	447
Share based payments	-	-	-	128	-	-	128
Balance at 31 December 2022	11,130	706	688	13,307	14	(18,725)	7,120

Consolidated statement of cash flows
for the year ended 31 December 2023

[in £'000]	2023	2022
Net loss for the period	(7,665)	(5,150)
Adjustments to reconcile net loss for the period to net cashflows		
Income taxes	(689)	(779)
Interest charge	302	89
Depreciation of property, plant and equipment	676	404
Amortisation and impairment of intangible assets	33	27
Other non-cash items	220	136
Working capital changes:		
(Increase)/decrease in trade receivables and other current assets	(109)	140
Increase/(decrease) in trade payables and other current liabilities	695	(2)
(Increase)/decrease in inventories	(202)	30
Tax receipt	561	401
Net Cash flows from operating activities	(6,178)	(4,704)
Investments in property, plant and equipment	(871)	(1,155)
Investments in capitalised development and intangible assets	(619)	(786)
Cash flows from investing activities	(1,490)	(1,941)
Net receipt/(payment) of loans	6,584	1,412
Shares issued	2	-
Interest paid	(67)	(93)
Capital lease payments	(94)	(75)
Cash flows from financing activities	6,425	1,244
Net change in cash and cash equivalents	(1,243)	(5,401)
Exchange differences	(39)	166
Cash and cash equivalents at the beginning of the period	4,351	9,586
Cash and cash equivalents at the end of the period	3,069	4,351

Notes to the financial statements

1. General

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

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

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

The consolidated financial statements of 4basebio plc and its subsidiaries for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 4 June 2024.

2. Basis of preparation

The consolidated financial statements of 4basebio UK plc (or "the Group") for the financial year ending 31 December 2023 have been prepared using UK adopted international accounting standards.

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

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

3. Earnings per share

	2023	2022
Numerator [in £'000]		
Result for the period	(7,665)	(5,150)
Denominator [number of shares]		
Weighted average number of registered shares in circulation (ordinary shares) for calculating the undiluted earnings per share	12,319,270	12,317,473
Basic and diluted earnings per share (£)	(0.62)	(0.42)

The calculation of the basic and diluted earnings per share for continuing operations was based on the weighted average number of shares as determined above. The numerator is defined as result after tax from continuing operations. The average number of share options outstanding during the period was 653,771 (2022: 642,878) which have not been included in the calculation of the diluted Earnings per share because they would be anti-dilutive since the business is loss making.

4. Approval of the financial statements

