

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

19 June 2025

Syncona Limited
("Syncona" or the "Company")

Strategy update

Proposed change to investment objective and policy to maximise value for shareholders over the medium term

Exploring options to provide shareholders with accelerated cash returns

Seeking to offer certain shareholders opportunity to roll interests into a new independent private fund managed by SIML

Syncona's Board of Directors (the "**Board**") has, in consultation with the Company's investment manager, Syncona Investment Management Limited ("**SIML**"), and advisers, undertaken a comprehensive review of options to maximise value for shareholders.

As part of this review, the Board has engaged extensively with shareholders, who expressed a range of perspectives, reflecting Syncona's diverse shareholder register.

The review follows a period of underperformance for the biotech sector with the S&P Biotechnology Index still 52.0%^[1] below its peak in February 2021. Market conditions have been particularly challenging for early-stage life science companies, and cost of and access to capital has been impacted for biotech companies across all stages of the development cycle. The challenging market and broader negative sentiment towards listed investment companies have also continued to impact Syncona's ordinary shares, with the price moving from a premium to a material discount to net asset value ("**NAV**") over the last three years.

Over this period, the SIML team has rebalanced the portfolio, prioritising capital towards the most promising assets. Whilst the Board believes SIML has made significant steps in driving portfolio companies to late-stage and clinical development, where there is the potential to deliver strong risk-adjusted returns over the medium term, it has also listened to the broad range of shareholder views and will, in the near term, seek shareholder approval for a change to the Company's investment objective and policy.

Proposed change to investment objective and policy and capital allocation policy to maximise value over the medium term

The Board intends, subject to approval by the Financial Conduct Authority (the "**FCA**"), to propose to its shareholders a change to the Company's investment objective and policy to move to an orderly realisation of its portfolio assets, with a view to achieving a balance between returning cash to shareholders in a timely manner and maximising value.

Alongside the proposed new investment objective and policy, the Board also intends to adopt a new capital allocation policy. This will seek to continue financial support to existing portfolio companies, which have the potential to provide liquidity via M&A or the public markets, to deliver their identified key value inflection points, and additionally to preserve portfolio company value in third-party financings.

It is the Board's intention that net proceeds from any disposal of interests in private portfolio companies will be returned to shareholders, subject to retaining a prudent reserve for operating costs. Any general meeting to approve the proposed change of the Company's investment objective and policy will take place once the Board has certainty on whether an acceleration of cash returns to shareholders will be achievable (see below).

Maximising value for shareholders over the medium term

If approved, the Board intends that the Company's new investment objective and policy will be reviewed by the Board once significant proceeds have been returned to shareholders or after three years to ensure the continued return of net proceeds from realisations remains in the best interests of shareholders. Any amendment to the Company's investment objective and policy at that point would require further FCA and shareholder approval.

Potential acceleration of cash returns to shareholders

In conjunction with the proposed investment objective and policy changes, the Company is also exploring options to accelerate realisations, which may include a sale of a small portion of its interests in certain of its portfolio companies at a modest implied premium to the current share price and at a discount to NAV. If the Company was able to achieve any such realisations, it would seek to return the net proceeds to shareholders, together with the cash the Company has currently allocated to support future investments into any divested assets.

Subject to shareholder approval of a new investment objective and policy, it will be the Board's intention to seek to accelerate cash returns in light of the Company's new strategy, even in the absence of near-term realisations.

Seeking to find alternative opportunities for shareholders who wish to continue to have exposure to early-stage companies

The Board recognises that certain shareholders may wish to continue to have exposure to new and early-stage life science companies. As such, the Board is exploring the possibility of providing institutional shareholders with an opportunity to roll their interests in the Company into a new private investment vehicle ("**New Fund**") independent of the Company. Discussions are ongoing with a number of sophisticated institutional and strategic investors and London based university and research partners ("**LRPs**") around participating in the New Fund.

The New Fund's strategy would be to build world-class companies from ground-breaking science or technology sourced from the LRPs and elsewhere. The New Fund would be managed by SIML, harnessing its expertise and track record. In such circumstances, SIML may be separated from the Syncona Group to enable it to manage both the portfolio of the Company and the New Fund.

If the New Fund is successful in raising sufficient capital, the Company would seek to enter into the sale of a small portion of its interests in certain of its portfolio companies to the New Fund. There can be no certainty that new capital will be raised or any sale will occur.

Suspension of 2032 targets

As a consequence of the proposed change in investment objective and policy, the Board would, following guidance from SIML, seek to suspend its previously published 2032 targets, including the ambition to grow assets to £5 billion by 2032, create three new companies per annum and build a portfolio of 20 to 25 companies.

Board changes

In the event the new investment objective and policy are approved by shareholders, the Company would expect to reduce the size of the Board to reflect the Company's strategy.

The Company will keep the market updated on progress of the new strategy as and when appropriate.

Melanie Gee, Chair of Syncona Limited, said: "Syncona's share price has continued to be impacted by the significant headwinds in the markets it operates in. Against this backdrop, the Board has undertaken a comprehensive review of strategic options to maximise value for shareholders. Our intention to change the Company's strategy and propose the change of investment objective and policy is the result of extensive engagement with our diverse shareholder base and the significant work of, and partnership with, the SIML team. This process has underpinned our confidence in the SIML team's ability to deliver strong risk-adjusted returns from our existing assets over time, as relevant markets stabilise and volatility decreases. We remain focused on exploring options to provide shareholders with accelerated cash returns and are seeking to offer certain Syncona shareholders the opportunity to roll their interest into a new private fund."

Chris Hollowood, CEO of Syncona Investment Management Limited, commented: "We have worked closely with the Board as they have reviewed options to maximise value for shareholders. We recognise that the share price performance over the last three years has been disappointing and there is a diverse range of views across Syncona's shareholder register. We also believe there is a significant opportunity to maximise value from the portfolio over the medium term by focusing on the delivery of the key value inflection points we have outlined. We are confident in the long-term opportunity to continue creating and building companies leveraging world-class research and are working to explore the possibility of a new private vehicle for interested current shareholders and prospective new investors. We look forward to keeping the market updated on the portfolio's continued progress and engaging with stakeholders on the continued path forward."

The person responsible for making this announcement on behalf of the Company is Marc Perkins, General Counsel of SIML.

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[1] As at 13 June 2025

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