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21 October 2025

Syncona Limited

("Syncona" or the "Company")

Strategy update

Further to its strategy update on 19 June, the Company today announces a set of proposals which seek to maximise value for shareholders and to create a sustainable longer-term structure for all key stakeholders. These refined proposals come against a background of continued good progress across Syncona's portfolio, which is funded to deliver 10 key value inflection points over the next three years, with the potential to drive significant NAV growth.

Following further extensive consultation with shareholders, whose range of perspectives have guided the proposals, the Company's board of directors (the "Board") is proposing:

- To focus on the return of £250 million of net proceeds to shareholders, from any potential sales of mature private portfolio companies
 - o The Board will determine the structure of future capital returns at the time of any realisations, which may include a tender offer, share buyback programme or special dividend
 - o In so doing, it expects to have regard to the quantum of proceeds to be returned, the Company's share price and trading dynamics at the time and the wider outlook across the portfolio, as well as any perspectives from shareholders
- A new investment objective and policy and capital allocation policy with an initial focus on realising maximum value from Syncona's mature portfolio companies in a timely manner and then to return cash to shareholders, which will mean:
 - o Syncona Investment Management Limited's ("SIML") team working closely with portfolio companies to deliver key value inflection points and ensure capital is available to maximise value
 - o Syncona selling portfolio assets only when it is in the best interests of shareholders, driven by the balance of risk and reward, to maximise value
 - o Syncona continuing to make selective new investments in early-stage companies developing exceptional academic science, up to an aggregate of 5% of the Company's last-reported NAV
- Once £250 million has been returned to shareholders, Syncona will return to focusing on achieving long-term capital appreciation by funding new life science investments and existing portfolio companies
- The Board intends to consult shareholders regarding a new capital allocation policy in advance of satisfaction of the £250 million return
- Shareholders will also be consulted on new long-term incentive arrangements for SIML employees to align SIML's interests with the proposed investment objective and policy
- A change to the composition of the Board in light of the proposed investment objective and policy
- An intention to optimise the cost base across the group to align with the proposed investment objective and policy
- To support SIML in seeking to establish a new private fund, independent from Syncona, to diversify its funding sources

The Board has concluded that there is currently limited appetite amongst shareholders for immediate capital returns from realisations at a significant discount to NAV.

Following the consultation on the new long-term incentive arrangements, the Company will seek shareholder approvals to implement the new investment objective and policy, and incentive scheme.

Melanie Gee, Chair of Syncona, commented: "Today's set of proposals provides the Company and SIML with a clear initial focus to maximise value in the portfolio and return cash to shareholders from the realisation of mature portfolio assets. We are very grateful to our shareholders who have engaged extensively with the process and whose

views have guided these refined proposals. The Board is confident in the SIML team's ability to work with our portfolio companies to deliver the key value inflection points and realisations, which would have the potential to generate significant proceeds for shareholders, and we look forward to returning £250m in a timely manner. We also recognise the importance of the SIML team's ongoing contribution to a thriving life science sector here in the UK. We believe the proposals outlined today are in the best interests of our key stakeholders."

Chris Hollowood, Chief Executive Officer of SIML, added: "The portfolio is well positioned to deliver NAV growth over the medium term, and we are committed to ensuring shareholders benefit from the potential returns available as markets stabilise. We believe the revised investment policy, which we are firmly supportive of and aligned with, will deliver value for all stakeholders. Moreover, we remain confident in the long-term potential in the sector and believe there remains a significant opportunity to build late-stage life science companies that can deliver attractive returns for our shareholders, after £250 million has been returned from realisations. During this initial period, where our investment focus is predominantly on realising maximum value from portfolio assets, we will seek to raise a private fund, which would create a sustainable long-term platform to match the development cycle in life science and support us in maximising value for Syncona's shareholders."

Background to the refined proposals

In June, following shareholder engagement, the Board announced it had undertaken a comprehensive review of strategic options to maximise value for shareholders. The Company outlined that a potential new investment objective and policy, to focus on returning proceeds of realisations to its shareholders, would be reviewed by the Board after significant proceeds had been returned to shareholders or, at the latest, after three years. Any material amendment to the Company's investment objective and policy at that time would have required further FCA and shareholder approval. The Board also announced it was looking at options to accelerate realisations, which may have included a sale of a small portion of its interests in certain of its portfolio companies at a discount to NAV.

This initial set of proposals have been subject to further consultation with shareholders by the Company and SIML. The Board has concluded there is currently limited appetite amongst shareholders for immediate capital returns from realisations at a significant discount to NAV, whilst a number of the Company's shareholders and other market participants, particularly in the life sciences sector, considered the proposals as putting the Company into inevitable run-off.

The Board wishes to make clear its intention to return to a policy of investing in new portfolio companies to achieve long-term capital appreciation once £250 million has been returned to shareholders. The decision to continue to pursue small selective investments into new companies also means that the Company will preserve a pipeline of early portfolio assets, which have the potential to underpin future growth. These refinements will enable SIML to remain active market participants, and to help avoid any undue negative impact on the value of the portfolio companies through impaired realisations and unduly dilutive syndications.

New investment objective and policy with an initial focus on realising maximum value from portfolio assets in a timely manner and then returning cash to shareholders

Syncona's proposed investment objective is to achieve superior long-term capital appreciation by selectively investing in growth opportunities in the life sciences sector, with an initial focus on realising maximum value from its mature portfolio assets in a timely manner.

The Company's initial priority is to maximise value from its mature portfolio companies in a managed and considerate manner to return £250 million in aggregate to its shareholders. The Board will determine the structure of future capital returns at the time of any sales of private portfolio companies, which may include a tender offer, share buyback programme or special dividend. In choosing the appropriate structure, the Board expects to have regard for the quantum of proceeds to be returned, the Company's share price and trading dynamics at the time, the wider outlook across the portfolio, as well as any perspectives from shareholders.

In order to achieve its initial objective of returning cash to shareholders, the Company will make further investments to provide additional funding to its existing portfolio companies.

The SIML team will continue to drive the value of the life science portfolio by focusing on the delivery of key value inflection points. Syncona's c.£250 million capital pool¹ ensures that the portfolio is funded to deliver on 10 key value inflection points over the next three years, which have the potential to drive significant NAV growth. The SIML team will maintain a proactive portfolio management approach and ensure capital is available to maximise value, whilst avoiding quick, value destructive exit options. The Company will only divest interests in portfolio companies when it is in the best interests of shareholders.

The Company will, during this time, also make selective investments into new pre-clinical therapeutic programmes from world-leading academic institutions. These investments will be limited, in aggregate and at the time of such investments, to an amount equal to 5% of the Company's last-reported NAV prior to approval of the new investment objective and policy. These investments will provide a pipeline of early portfolio assets, which have the potential to underpin future growth.

Returning to focus on long-term capital appreciation

Once £250 million of proceeds has been returned to shareholders, Syncona will return to focusing on achieving long-term capital appreciation by funding new life science businesses and existing portfolio companies, seeking to build a diversified portfolio of 20-25 companies. As a consequence of the proposed new investment objective and policy, the Board will, following guidance from SIML, no longer seek to achieve its previously published 2032 targets, including the ambition to grow assets to £5 billion by 2032 and create three new companies per annum.

Ensuring Syncona is well positioned for successful delivery of its new strategy

Proposed long-term incentive arrangements

The Company will undertake a consultation with shareholders on the implementation of new long-term incentive arrangements for SIML employees to align SIML's interests with the proposed new investment objective and policy.

The period for making awards under the existing long term incentive plan ("LTIP") is coming to an end and the scheme is closed to further issuances. Awards made under any new scheme would exist concurrently with awards previously granted under the current LTIP, and are anticipated to be based on the realised value of current portfolio assets in excess of the Company's NAV as at 30 September 2025. It is the Board's intention to ensure that this combination appropriately incentivises the SIML team while maintaining a cap on SIML's aggregate potential profit share.

Potential private fund to be managed by SIML, independent of the Company

The Board supports the SIML team in seeking to raise a new private fund to deliver its UK based life sciences model, which will invest on the basis of the SIML team's create, build, and scale model. The additional fund, managed by the SIML team, will diversify funding sources, and seek to attract funding from investors who are unable to invest in a listed company, also diversifying the financial risk across the group. The Board believes this will be beneficial to the Company's portfolio and should drive superior returns for its shareholders.

Discussions between the SIML team and third parties regarding a new private fund have commenced. If a new fund is established, it is the intention of the Board to establish protections for the Company's shareholders in relation to any potential conflicts that may arise from the SIML team managing two funds. Furthermore, it is the intention of the Board to facilitate the separation of SIML, on suitable terms, to enable the SIML team to manage both the Company's portfolio and that of the new fund; the Board intends to work to enable the separation of SIML efficiently. Should a new private fund be raised, the Board intends to explore the possibility for shareholders to roll their interests in the Company into the new private fund.

Rigorous focus on costs across the group

Changes to the composition of the Board

In light of the proposed investment objective and policy and following the departure of one non-executive director earlier in the year, the Board intends to further reduce the overall number of non-executive Directors on the Board to five, which will in due course include a new non-executive director with investment company expertise and experience.

Optimising the cost base

More broadly, the Board is focused on optimising the cost base across both the Company and SIML to align with the proposed investment objective and policy. As part of this, SIML will continue to prudently manage its annual budget and seek opportunities to drive cost efficiencies across the business.

Donations to the Syncona Foundation

The Board has also agreed, given the proposed change of strategy, that donations to the Syncona Foundation should be reduced to 0.25% of NAV (calculated on a monthly basis) for the next three financial years, effective after the current financial year.

Share buyback arrangements

In light of the strategy update, the Board has decided not to renew the prior share buyback arrangements with Deutsche Numis, which came to an end on 18 June 2025, and will not pursue any further buybacks at this time. The remaining £5.4 million that had previously been allocated to buybacks will be deployed in line with the proposed investment objective and policy outlined above.

Timing for next steps

The proposed new investment objective and policy has been approved by the Financial Conduct Authority but will require shareholder approval before being implemented. The full text of the proposed new investment objective and policy and accompanying capital allocation policy is set out in the appendix to this announcement.

The Company intends to make a further announcement on the proposals set out above once it has completed the shareholder consultation on the new long-term incentive arrangements for the SIML team, and shortly thereafter will convene a General Meeting at which the change of investment objective and policy, and the new long-term incentive arrangements package, will be proposed.

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

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Appendix

Proposed Investment Objective and Policy (Subject to Shareholder Approval)

1. Investment Objective

Syncona Limited's (the "**Company**") objective is to achieve superior long-term capital appreciation by selectively investing in growth opportunities in the life sciences sector, with an initial focus on realising maximum value from its mature portfolio assets in a timely manner.

2. Investment Policy

The Company's initial priority is to maximise value from its mature portfolio companies in a managed and considerate manner to return a minimum of £250 million in aggregate to its shareholders (the "**Capital Return Threshold**").

Until the Company has achieved the Capital Return Threshold, the Company will only make investments to provide further funding to its portfolio companies (or their successors) and make selective small investments into new early-stage companies. Investments into new early-stage companies will be into pre-clinical therapeutic programmes identified from world-leading academic institutions in the United Kingdom and, to a lesser extent, continental Europe, although some may be elsewhere in the world. The quantum of cash financing deployed by the Company in respect of such investments will be limited, in aggregate, to no more than an amount equal to 5% of the Company's last-reported NAV prior to approval of this Investment Objective and Policy by shareholders.

Once the Capital Return Threshold has been achieved, the Company will continue to invest in its existing portfolio companies and also seek to invest in new life science businesses (including private and quoted businesses) and single or multi-asset projects ("**Life Science Investments**"). New Life Science Investments will primarily be headquartered in the United Kingdom and, to a lesser extent, continental Europe, although some may be elsewhere in the world and all will likely market and commercialise their products on a global basis.

Investments will be made with a view to long-term ownership, to support the building of companies that are capable of taking their products to market on an independent basis and therefore to build sustainable, revenue-generating businesses. However, the Company will give active consideration to divestment of companies in part or in full where it is in the interest of the Company to do so.

The Company anticipates that, over time, its Life Science Investments portfolio will consist of around 20 to 25 life science opportunities. The Company's portfolio will, at all times, be subject to the following diversification requirements, each of which is measured only at the time of an investment and with respect to the impact of that investment:

- no more than 35% of the Company's gross assets may be invested in any single Life Science Investment;
- no more than 60% of the Company's gross assets may be invested in the largest two Life Science Investments;
- no more than 75% of the Company's gross assets may be invested in the largest three Life Science Investments; and
- no more than 15% of the Company's gross assets may be invested in quoted companies, disregarding for these purposes any investments which have become quoted companies during their ownership by the Company.

The Company will retain a portion of its assets as a capital pool to provide access to liquidity to facilitate investments and fund operating costs (the "**Capital Pool**"). There is no limit on the size of the Capital Pool and the cash in the Capital Pool may be held in a combination of cash, short-term deposits, other liquid and low volatility assets, and funds including credit, fixed income and multistrategy funds managed by third party managers with portfolio mandates to deliver a core CPI (consumer price index) return over the mid-term. The use of such multi-strategy funds will be for cash management purposes only, and not for investment purposes. In addition, parts of the Capital Pool may be held in funds that were invested in accordance with any prior investment policy of the Company, until those funds are realised. The Capital Pool is subject to the requirement, measured at the time of investment, that no more than 15% of the Company's gross assets may be held in any single fund or managed account.

Investment restrictions

The Company may at any time utilise gearing for financing share repurchases, satisfying working capital purposes or to assist in payment of the annual charitable donation, up to a maximum of 10% NAV at the time of borrowing. Accordingly, the use of gearing will be for short term cash management purposes only, and not for investment purposes.

The Company does not propose to enter into any securities or derivative hedging or other derivative arrangements other than those that may from time to time be considered appropriate for the purposes of efficient portfolio management and will not enter into such arrangements for investment purposes, although there are no limitations on such arrangements being entered into at the level of the Company's underlying investments.

The Company will continue to comply with the requirements of the UK Listing Rules in force from time to time. Any material change to the Investment Objective and Policy will be made only with the prior approval of the FCA and of shareholders by ordinary resolution at a general meeting of the Company.

The Company will not make any direct investment in any tobacco company and has agreed with (a) The Institute of Cancer Research (the ICR) not knowingly to make any investment which contravenes the tobacco restriction contained in the investment policy of the ICR and (b) Cancer Research UK not knowingly to make or continue to hold any investments in the Capital Pool which would result in exposure to tobacco companies exceeding 1 per cent of the aggregate value of the Capital Pool from time to time.

Proposed Capital Allocation Policy

The Company's Investment Objective is to achieve superior long-term capital appreciation by selectively investing in growth opportunities in the life sciences sector, with an initial focus on realising maximum value from its mature portfolio assets in a timely manner.

In line with the Company's initial objective, it is the Board's current policy to direct SIML to focus capital allocation on:

- continuing to actively manage those existing portfolio companies where SIML believes the best value for the Company's shareholders can be achieved;
- investing to deliver Key Value Inflection Points (KVIPs) in those companies in accordance with the Company's published framework where there is the potential to realise return via M&A, the public markets or third-party financings;
- protecting portfolio company value in third-party financings;
- making selective investments into new early-stage companies of no more in value, in aggregate and measured at the time of each such investment, than an amount equal to 5% of the Company's last-reported NAV prior to approval of the Investment Objective and Policy by shareholders; and
- conserving the Company's liquidity as required to achieve these aims.

The Board intends to return all of the net proceeds from the disposal of interests in private portfolio companies to shareholders, subject to retaining a prudent reserve for operating costs, until a minimum of £250 million has been distributed. The Board intends to consult shareholders regarding a new Capital Allocation Policy in advance of satisfaction of the Capital Return Threshold.

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