Oxford Biomedica

A QUALITY AND INNOVATION-LED CELL AND GENE THERAPY CDMO

Annual Report and Accounts 2023

OXFORD BIOMEDICA IN BRIEF

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 pioneers in cell and gene therapy, Oxford Biomedica plc and its subsidiaries (the Group) has more than 25 years of experience in viral vectors; the driving force behind the majority of gene therapies. Oxford Biomedica (also referred to as OXB) 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, US.

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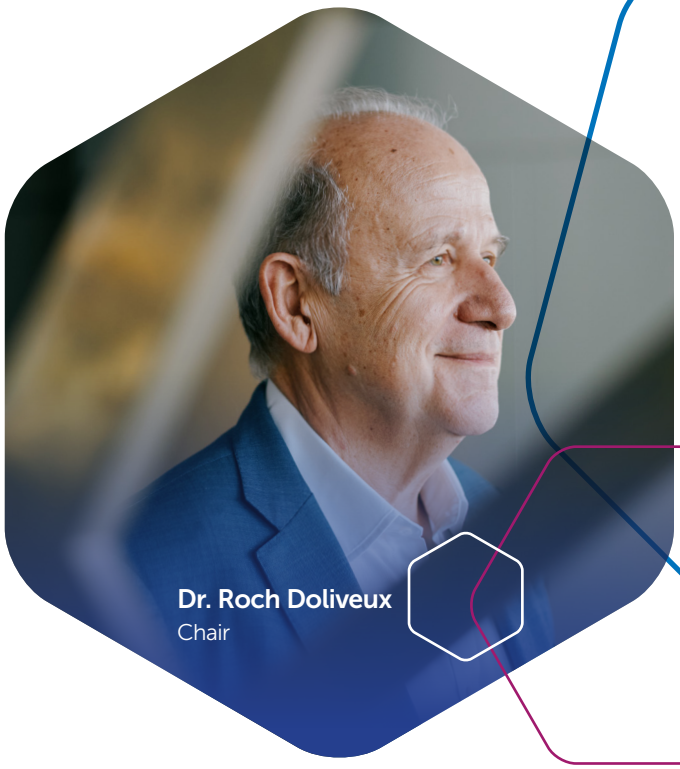
POSITIONED FOR COMMERCIAL SUCCESS

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.

CREATING SUCCESS FOR OUR CLIENTS

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.

Chair's statement



Dr. Roch Doliveux
Chair

In 2023, Oxford Biomedica made significant advancements to become a leading pure-play cell and gene therapy CDMO.

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 set out on page 40.

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 (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

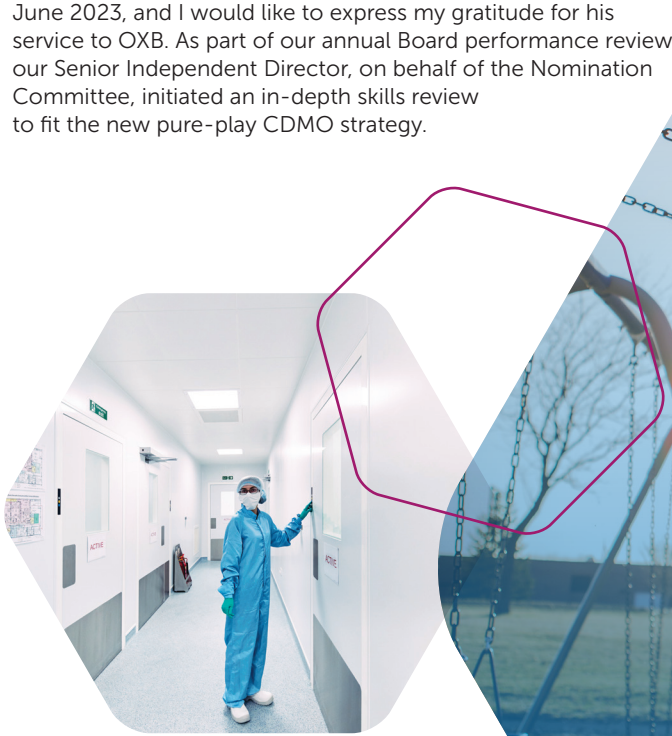
In the past year, we have continued to strengthen our Board and the Corporate Executive Team (CET - previously known as the Senior Executive Team (SET) until November 2023) to align with the repositioned business strategy whilst continuing to increase diversity. After CEO Dr. Frank Mathias was appointed 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.

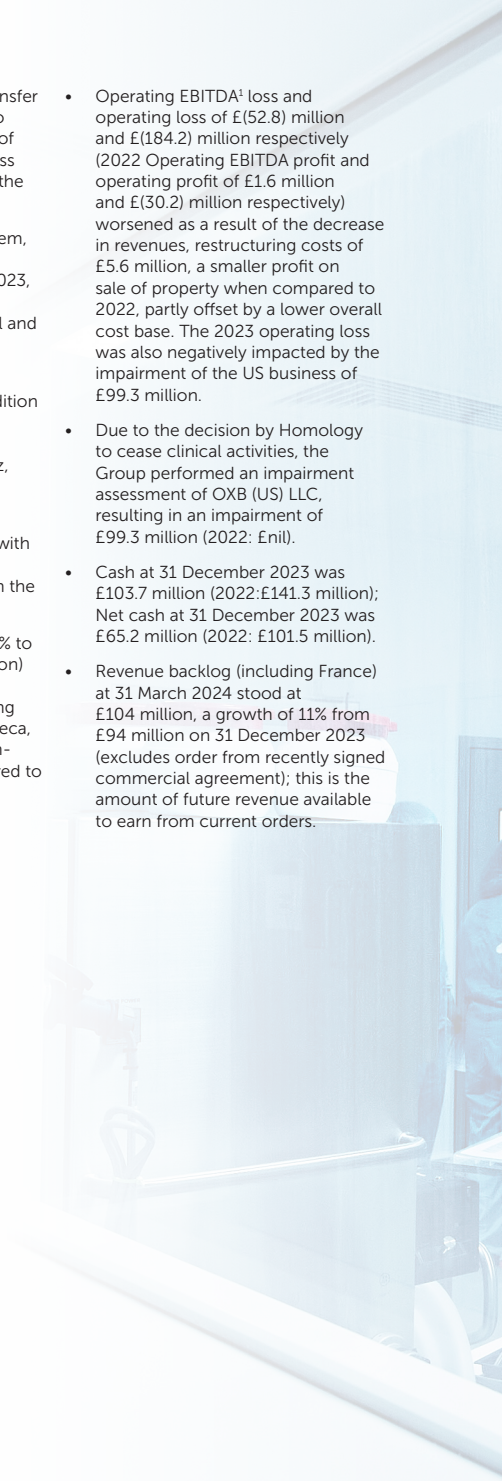
The future of Oxford Biomedica

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.



Operational and Financial Highlights 2023

- Newly appointed Chief Executive Officer Dr. Frank Mathias has led the transformation of OXB to a global pure-play quality and innovation-led cell and gene therapy CDMO
- Commenced reorganising of operations and streamlining under the banner of the new "One OXB" strategy, including:
  - Conclusion of workforce reorganisation including a more streamlined structure across the UK and the US and the alignment of roles and operations with the specific requirements of a pure-play CDMO
  - Move to a site-based model, with operations in the UK and the US, and post period-end, the EU (France)
- Continued strong demand for OXB's CDMO services across all key viral vector types:
  - CDMO portfolio continues to grow and diversify; now working with 35 clients on 51 client programmes as of April 2024 (April 2023: 18 clients and 34 programmes), including new clients gained through Oxford Biomedica (France)
  - 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)
  - Growth in business development pipeline by 51% from January to December 2023
- Acquisition of ABL Europe (recently renamed Oxford Biomedica (France)) from Institut Mérieux, completed post-period end, provides a bioprocessing and manufacturing footprint in the EU, strengthening the Group's move to a multi-vector, multi-site model spanning the UK, the US and the EU
- Post-period end, completed transfer of lentiviral vector capabilities to OXB's US site, with the delivery of the 5L scale down model process and accompanying analytics at the end of March 2024
- Launch of the TetraVecta™ system, OXB's 4th generation lentiviral vector delivery system in May 2023, which allows for higher quality, potency, safety, expression level and packaging capacity
- Strengthening of OXB's senior management team with the addition of experienced CDMO experts; Mark Caswell, Site Head of US Operations and Thierry Cournez, Chief Operating Officer and UK Site Head
- Exited all non-CDMO activities with the discontinuation of work on internal product development in the second half of 2023
- 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, offset by a small increase in non-vaccine revenues when compared to the prior year.
- Operating EBITDA[1] loss and operating loss of £(52.8) million and £(184.2) million respectively (2022 Operating EBITDA profit and operating profit 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.
- 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).
- 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).
- Revenue backlog (including France) at 31 March 2024 stood at £104 million, a growth of 11% from £94 million on 31 December 2023 (excludes order from recently signed commercial agreement); this is the amount of future revenue available to earn from current orders.



[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 33.

- The business reorganisation completed in the second half of 2023 has resulted in a reduction of the ongoing cost base from 1 January 2024 by circa £30 million on an annualised basis compared to 2023.
- The Group reiterates 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 the year's 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 from Institut Mérieux as part of the transaction
  - 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.

Market overview

The cell and gene therapy sector continues to produce more life-changing approvals and clinical developments that are further transforming medicine. This has created a new paradigm in healthcare, offering solutions for conditions for which there are few treatment options available and no cures. Currently valued at an estimated $2.8 billion, the viral vector outsourced supply market is projected to grow at a rate of approximately 20% over the next four years.

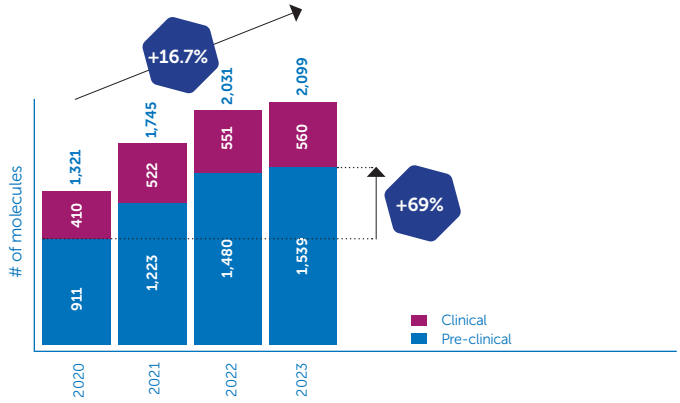
A key factor driving the expansion of the cell and gene therapy market is the increase in the number of products being developed. Since 2020, the pipeline of therapies in development has grown by around 17% per year, reaching 2,099 candidates in 2023, up from 1,321 in 2020. This growth is largely driven by pre-clinical molecules (see figure below).

Regulatory approvals for cell and gene therapies have also been on the rise. The FDA has reported a 10% increase in approvals for commercial molecules, with cell and gene therapies accounting for 10% of total FDA approvals in 2023, up from 4% in 2020 (see figure below). Improved accessibility to state-of-the-art technology at more affordable prices is another factor contributing to the sector's growth. This increased accessibility is attracting more players to enter the field, fostering innovation and driving further expansion.

Looking ahead, 2024 is expected to see the highest number of commercially approved cell and gene therapy molecules to date, indicating increasing commercial maturity in the sector. With ongoing product development, rising regulatory approvals, and improved access to advanced technology, the cell and gene therapy sector is on a promising trajectory. It has the potential to revolutionise healthcare by offering unprecedented treatment options and potential cures.

Pipeline growth

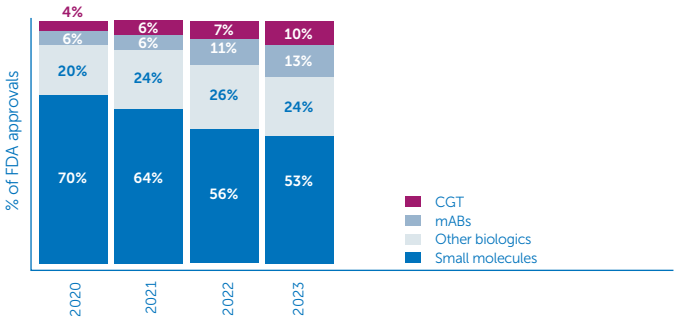
Growth of the overall pipeline for cell and gene therapies based on the number of molecules



Source: ASGCT Quarterly Data Reports (2020 – 2023)

FDA approvals

Cell and gene therapies approvals as % of total approved molecules from 2020-23



Source: Cell & Gene (2024)

A RAPIDLY GROWING SECTOR

Oxford Biomedica is harnessing the anticipated surge in demand from the rapidly growing gene and cell therapy sector. There are a growing number of approvals, late-stage trials, and a pipeline of therapies in development.

Group at a glance

WHO IS OXFORD BIOMEDICA?

- **A quality and innovation-led pure-play CDMO with 25+ years of experience**
- **First commercial supplier of lentiviral vectors for a CAR-T therapy**
- **Vector agnostic with in-depth platform knowledge spanning lentivirus, adenovirus and AAV**
- **End-to-end capabilities from plasmid design to commercial CGMP manufacturing**
- **Proprietary platform technology protected by IP, patents and know-how**
- **Multiple partnerships with leading companies and proven commercial supply capabilities; approvals spanning over 30 countries**
- **Sole global supplier of lentiviral vector for Novartis' Kymriah®**

KEY STATS

As at April 2024, including post-period events. Includes Oxford Biomedica (France)

35
Number of clients

51
Client programmes

714
Number of employees*
*As at 31 December 2023

10
Number of facilities

KEY CLIENTS

Large pharma, established biotech and emerging biotech clients include:

ARCELLX

Bristol Myers Squibb™

Cabaletta Bio®

CARGO THERAPEUTICS

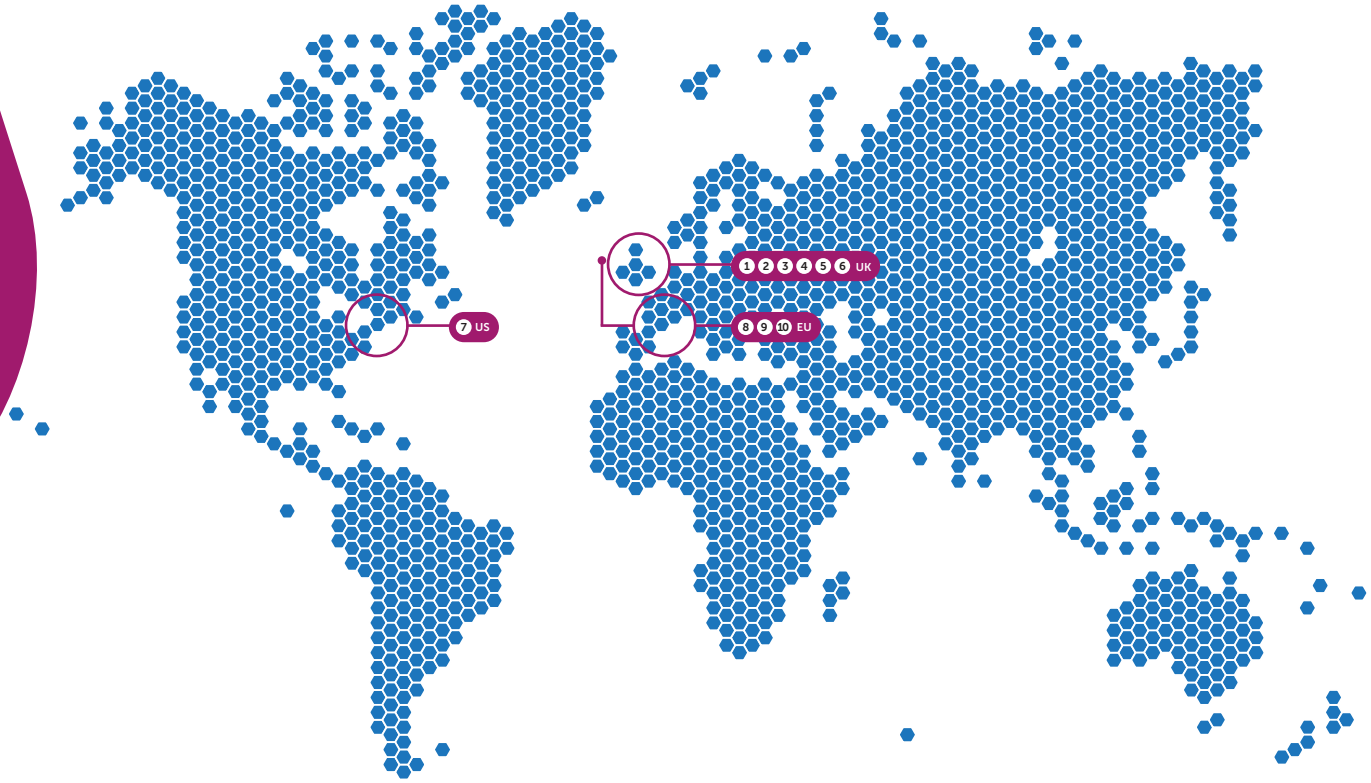
kyverna

NOVARTIS

51
Total number of programmes

CLIENT PORTFOLIO AT A GLANCE

As at April 2024, including post-period events. Includes Oxford Biomedica (France)



WHERE IS OXFORD BIOMEDICA BASED?

Facilities and locations

Oxford Biomedica has ten facilities across Oxford, UK; Dublin, Ireland; Boston, US and Strasbourg and Lyon, France. The Group's facilities in Strasboug and Lyon, France, were added in January 2024 following the acquisition of ABL Europe from Institut Mérieux.

Oxbox, Oxford, UK (1)

- 4,180 m² (45,000 ft²) of commercial (MHRA) manufacturing space
- 4 x GMP production suites
- 2 x fill finish suites
- Warehousing, cold chain
- QC laboratories
- Detailed design for fit out of 1,850 m² (20,000 ft²) fallow area to provide 2 x 2000L GMP further production suites is complete and build will commence subject to review of global site capabilities and future business demand

Windrush Court, Oxford, UK (2)

- State of the art laboratories totalling 2,970 m² (32,000 ft²).
- Home to the analytical services group and process research and development

Yarnton, Oxford, UK (3)

- 1,700 m² (18,300 ft²) of commercial (FDA/MHRA) manufacturing space
- 1 x GMP production suite, satellite warehouse and microbiology QC laboratory

Harrow House and Chancery Gate, Oxford, UK (4)

- 370 m² (4,000 ft²) of commercial (FDA/MHRA) manufacturing space
- 1 x GMP production suites
- Microbiology QC laboratory

Corporate Head Office, Oxford, UK* (5)

- Located on an 1,020 m² (11,000 ft²) site within Oxford Business Park
- Houses CET and various support functions

* Will be vacated by the end of Q2 2024.

Wallingford Warehouse (6)

- 4,181 m² (45,000 ft²) of warehouse space
- Dedicated storage space for ambient raw materials

Patriots Park, Boston, MA, US (7)

- Facility size c.8,450m² (91,000 ft²)
- 3 x GMP production suites with potential for expansion

Earlsfort Terrace, Dublin, Ireland (8)

- Located in offices within Dublin's city centre
- Base for quality assurance staff to release product within the EU

Strasboug, France (9)

- 3,950m² (42,500 ft²) of commercial EMA manufacturing space
- 2x GMP production suites, process development and analytical development labs
- Base for quality assurance staff to release product within the EU

Lyon, France (10)

- 2,570m² (27,700 ft²) of commercial EMA manufacturing space
- 3x GMP production suites, 1x fill finish suite and quality control lab
- Base for quality assurance staff to release product within the EU

Transformation and integration of the OXB global site network

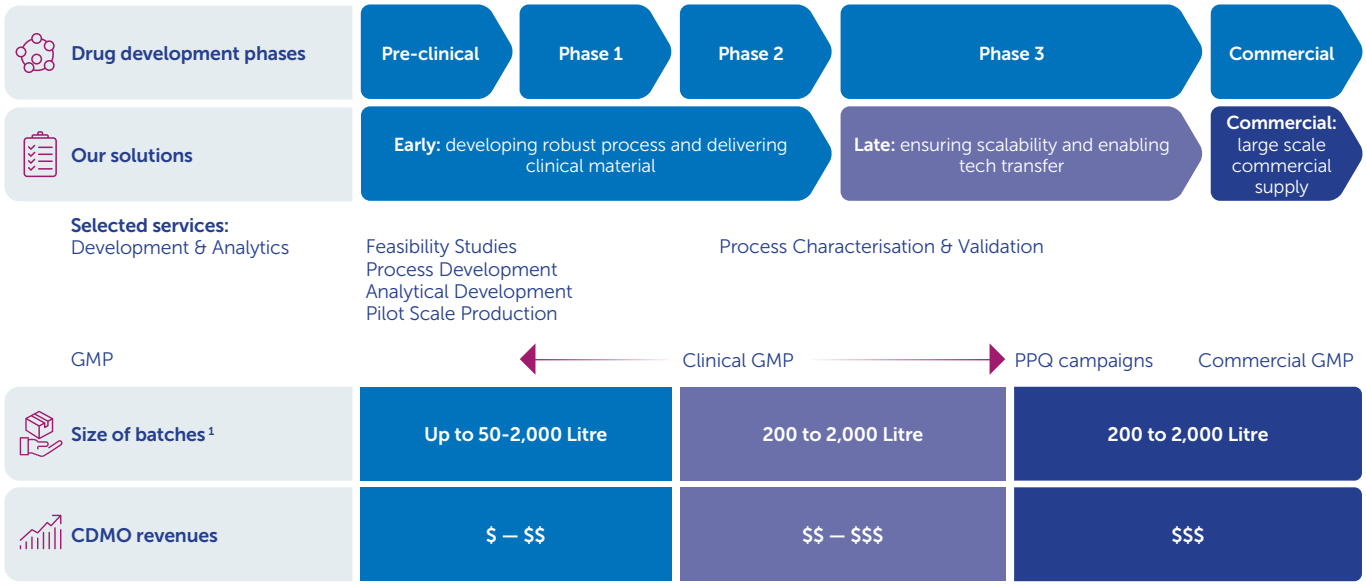
Examples of the One OXB 20 integration workstreams

INCREASED EFFICIENCY AND AGILITY

The "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.

Business Model

Illustrative Oxford Biomedica revenue streams from CDMO services



Note:
Illustration of potential OXB revenue streams throughout the product development process. The timing of OXB revenue recognition from executed contracts will vary depending on agreements with clients.
1. Batches dependent on type of therapeutic product and viral vector

Providing innovative process development and manufacturing services in a fast-growing sector

OXB provides client-centric CDMO services to pharmaceutical and biotech companies in the fast-growing cell and gene therapy sector. OXB's world-leading viral vector manufacturing expertise in lentiviral vectors, AAV and adenoviral vectors means that it is able to offer innovative process development and manufacturing services to its clients, developing and manufacturing commercially scalable cell and gene therapy products across a broad range of therapeutic areas.

Proprietary platform and world leading industry expertise delivering revenues

OXB's proprietary LentiVector® platform is the first commercially approved lentiviral based gene delivery system, and the IP, patents and know-how, along with over 25 years of expertise in applying its platform technology for both in-vivo and ex-vivo therapies has made the Group not only a pioneer in the field, but also the global leader that it is today. In addition to its LentiVector® platform, OXB also generates revenues through its CDMO services from its AAV platform, InAAVate™, and its adenoviral vector platform, AdenoVate™. The platform innovations and arising IP are built into agreements with clients to support them in bringing their cell and gene therapies to market. Revenue is then generated from commercial development fees, bioprocessing activities, milestone payments and royalty streams (see diagram above).

Using innovation and development to drive industrialisation

Innovation and development across all viral vector classes are core to the OXB's goal of industrialising viral vector manufacturing. By industrialising viral vector production, reducing costs and improving quality through innovation, OXB is broadening the therapeutic indications that are amenable to treatment with cell and gene therapy. It is expected that the reduction in cost will help drive more projects through clinical development and ultimately adoption by payors into indications where there are a far greater number of patients, by bringing down the overall cost per patient.

Oxford Biomedica's stakeholders

The Board believes that to maximise value and secure long-term success, the Directors must take account of what is important to key stakeholders. This is best achieved through proactive and effective engagement.

s172 (1) Companies Act 2006

The following table identifies the Group's key stakeholder groups, material issues and how the Group engages with them. Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships.

By understanding the Group's stakeholders, the Board factors the potential impact of decisions into boardroom discussions and considers stakeholders needs and concerns, in accordance with s172 (1) of the Companies Act 2006 (as shown in the case study on pages 20-21. The Group works effectively with its employees, clients and suppliers, to make a positive contribution to local communities and achieve long-term sustainable returns for its investors. Acting in a fair and responsible manner is a core element of the Group's business practice as seen in the Sustainability (ESG) report on pages 42-66.

Key stakeholders

The Group has identified seven key stakeholders through a workshop facilitated by an external specialist consultant and these are as follows:

- Patients
- Employees
- Clients
- Local communities
- Suppliers
- Regulators
- Shareholders

OXFORD BIOMEDICA'S STAKEHOLDERS (CONTINUED)

Stakeholders	How the Board and the wider Group engages	Material Issues identified	Highlights of how the material issues were addressed in 2023	Further links
Patients **The Group works with clients on the development of innovative products to provide life-changing treatments to patients.** 	The Chief Innovation Officer, the Chief Quality and Technical Officer and the Science and Technology Advisory Committee (STAC) routinely consults with key opinion leaders to ensure that OXB technologies and capabilities are designed to maximise the likelihood of success of the product development pathways for OXB's clients, and ultimately patients. The Board is updated on such consultations. The Group ensures that the needs of the clients, and ultimately the patients, are met through targeted investments and innovation in relation to OXB's technologies and capabilities, with overall governance supported through the Global Technical and Innovation Committee (GTIC). GTIC is the successor to Technical Development Committee (TDC). Through OXB's expanded global capabilities and facilities, the Group is able to scale-up its manufacturing capacity to access a broad patient population and in line with partner demand.	Patient safety and product efficacy. Enabling client-led product candidates to enter the market as quickly as possible.	Technologies developed with patient safety and product efficacy at the centre enabling thousands of patients to be treated with OXB's lentiviral vectors. Well-designed and efficient processes and capabilities assist client-led product candidates to enter the market as quickly as possible. The recent addition of capabilities in France together with increasing and sharing of capabilities across the UK and the US sites (e.g. transfer of lentiviral vector capabilities to the US site in Bedford, and operational fill/finish in Oxbox) enable the Group to broaden the scope of its commercial scale expertise and to roll out its expanded capabilities to new and existing clients ultimately benefiting patients.	p 47 Innovation p 22-27 Chief Executive Officer's 2023 performance review p 42 Oxford Biomedica's ESG mission p 65 Clinical trials
Shareholders **The Group's shareholders play an important role in monitoring and safeguarding the governance of the Group.** 	Through the Group's investor relations programme, which includes regular updates to the Board on one-to-one meetings with investors and investor roadshows as well as the Group's Annual General Meeting (AGM), the Group ensures shareholder views are brought into the Boardroom and are considered in its decision-making. Shareholders were invited to attend and participate in the AGM and vote by proxy or in person when attending. A major shareholder was represented on the Board for the duration of 2023. The Group also engages with shareholders via the Annual report and accounts and via RNS announcements and the corporate website.	Strategy and business model. Financial performance. Remuneration Policy.	Regular meetings/calls with the investor community held virtually and in person in 2023 to communicate the change in strategy and the financial performance of the Group. Shareholders were invited to listen and/or attend the AGM and vote by proxy or in person when attending. Following the 2023 AGM, the Remuneration Committee engaged with a number of shareholders to understand their perspectives on our Directors' remuneration arrangements. In response, the Remuneration Committee has reviewed the executive bonus calculations and reporting, alongside simplifying the new Remuneration Policy to be adopted at the 2024 AGM.	p 22-27 Corporate and Organisational development - CEO's Statement p 30-40 Financial review p 42-66 ESG p 73 Corporate Governance p 96 Remuneration – annual bonus and LTIP p 105 New Remuneration Policy p 122-174 Financial Statements

Stakeholders	How the Board and the wider Group engages	Material Issues identified	Highlights of how the material issues were addressed in 2023	Further links
Employees **The Group has an experienced, diverse and dedicated workforce, which it recognises as a key asset of the business. It is important that the Group continues to create the right environment to attract, develop and retain highly motivated people.**	The Group has an open, collaborative and inclusive management structure and engages regularly with employees. The Group does this through regular manager one to one meetings, an appraisal process, career conversations, management development programmes, employee surveys, webinars, digital sharing platforms, Company presentations, town hall meetings, email briefings, site visits by Board members, and its Equality, Diversity and Inclusion (EDI) and wellbeing programme. In 2023, the Group celebrated Learning at Work Week with a range of activities for all employees to engage with. Additionally, time was spent communicating the new Vision and Company Strategy to employees, hearing from the new CEO and members of the Corporate Executive Team. Employee engagement is frequently measured and the Group has designated Stuart Henderson as the Board's representative for gathering the views of the workforce and overseeing employee engagement. In 2023, the leadership team and the Workforce Engagement Panel (WEP) spent focused time evaluating and reviewing the results from the employee engagement survey and developing action plans. Mr. Henderson attends a number of WEP meetings per year to obtain employee feedback on key issues and to facilitate two-way communication between the Board and employees, with the objective of improving Board decision-making.	Reorganisation of its workforce to create a more streamlined structure across the UK and the US. Health, safety and wellbeing. Opportunity to share ideas and make a difference. Equality, Diversity and Inclusion. Management development. Clarity of Vision & Strategy. Employee Engagement.	WEP held thirteen meetings in 2023. During 2023, Mr. Henderson participated in WEP discussions relating to employee recognition, social engagement and employee morale. The Chair and Vice Chair of the WEP also presented to the Board during 2023 on two occasions, providing an update to the Board on the topics discussed by the panel and allowing an opportunity for the Board to ask questions regarding the panel's activities. The WEP was consulted regarding a reorganisation and right sizing of the business to ensure the structure and headcount is fit for the future and the new strategy. The WEP presented feedback and lessons learnt from this activity to the Board via Mr. Henderson. 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. Throughout the year, the Group's wellbeing programme included webinars on "Stress Less Perform Best", "Building Healthy Habits", "Connecting Teams", "Focusing Time and Attention" and "Managing Change". Feedback and input into EDI activities and campaigns such as International Women's Day, Pride Month, and the launch of Employee Network groups to further the Group's EDI strategy. Continued roll-out of the management development programme with additional line manager toolkit training to improve their understanding of the Group's policies to ensure consistency and best practice. Delivery of a series of facilitated away days with some of the senior leaders in the business, focused on cascading the new Company strategy and vision and developing employee engagement action plans. Discussing and generating ideas to improve social engagement and recognition for all employees.	p 45 Equality, Diversity and Inclusion p 45 Health and Wellbeing p 86 WEP p 89 Role of Remuneration Committee

OXFORD BIOMEDICA'S STAKEHOLDERS (CONTINUED)

Stakeholders	How the Board and the wider Group engages	Material Issues identified	Highlights of how the material issues were addressed in 2023	Further links
Clients **The continued performance of the Group's business would not be possible without understanding the needs and future aspirations of its clients. In addition, the Group's manufacturing expertise has attracted a broader client base.** 	The Group's Project Management department and the Business Development team, the CEO and the CET (previously known as SET) regularly communicates with existing clients to discuss their goals and incorporate them into the Group's schedules/strategy. The Group communicates with clients through meetings, engagement events and forums. This active engagement ultimately ensures that the Group meets their clients' needs and assists them in achieving their business goals. The Chief Commercial Officer presents a regular update on the Group's client relationships at each Board meeting.	Understand clients' needs to refine expertise. Deliver to meet clients' business goals. Offer expert manufacturing capabilities to clients.	By understanding clients' needs and meeting their expectations, the Group was able to establish new client relationships. Progressed programmes with existing clients in line with agreements. Several clients have adopted the next-generation lentiviral manufacturing platform.	p 10 Key clients p 12 Business Model p 23-27 Chief Executive Officer's 2023 performance review p 31 Financial Review p. 97 Executive annual bonus
Local Communities **The Group is committed to supporting the communities in which it operates, including local businesses, residents, schools and the wider public.** 	The Group engages with the local community not only through the planning process but also through the Group's "Helping Hands" forum, with volunteering, fundraising and charity work. The Group operates a formal apprenticeship programme and employees of the Group attend schools and careers fairs and provide work experience opportunities. The Group liaises with industry bodies and government organisations to enhance the positive impact the Group has on the communities and sector in which it operates. The Board is kept updated on the various community initiatives.	Apprenticeships. School and careers events. Fundraising for charity. Volunteer for local charities / organisations.	In 2023, the Group chose not to enrol any further apprentices, but to focus on supporting the 32 apprentices already on programme, of which, 7 completed their apprenticeship. Hosted the first UK recognised Learning & Enterprise Company "Teachers Encounters" initiative in collaboration with OxLEP & The Learning & Enterprise Company. Attended the Oxford City Schools 2-day Careers Fairs to promote Early Careers opportunities at OXB. Hosted 15 students from local schools as part of our 1st full school experience discovery week. Supported a local school with its mock interview day to provide students with some interviewing experience. In 2023, the Group continued to work with In2Science helping children from disadvantaged backgrounds enter STEM subjects in higher education and sponsoring five students with OXB employees also participating in mentoring sessions to offer insights and guidance on pursuing a career in STEM industries. Throughout the year, 18 volunteering days were taken, with volunteering days used by our employees to sell poppies for the British Legion, tree planting, completion of a paddle board litter pick on the river Thames and to support the Oxford garden project.	p 20 People p 48 Community p 47 Innovation p 48 Charity

Stakeholders	How the Board and the wider Group engages	Material Issues identified	Highlights of how the material issues were addressed in 2023	Further links
Suppliers **The Group buys many items from key suppliers and outsources some of its activities to third-party suppliers and providers. It is crucial that the Group develops strong working relationships with the Group's suppliers to enhance the efficiency of the business and to create value.**	Through effective collaboration, the Group aims to build long-term relationships with its suppliers so that all parties benefit. The Business Development team, Operations team, Chief Operations Officer and Chief Financial Officer have regular supplier meetings and business reviews. The Group has formalised its Supplier Code of Conduct and the team reports any concerns regarding suppliers and the broader supply chain to the Board in a timely manner.	Long term partnerships. Collaborative approach. Open terms of business.	Due diligence performed by the Group on its suppliers which included regular audits on certain suppliers and quarterly business reviews covering the top 5-6 suppliers. Procurement and supplier functions enhanced to interact with suppliers more effectively. Quality audits performed by the Group on its suppliers. Supplier Code of Conduct exists for all the UK suppliers and the Group will roll out the Supplier Code of Conduct to major suppliers in the US and France over the course of 2024.	p 46 Supply chain p 49 Environmental p 65 Modern Slavery p 68 Principal Risks
Regulators **The Group operates in a highly regulated environment and it is important that it engages with the regulators as required.**	The Chief Innovation Officer, Chief Quality & Technical Officer, Chief Operations Officer and General Counsel are in contact with various government regulatory bodies on a regular basis and attend industry forums. The Group has compliance audits performed by both government regulatory bodies and by its clients. The General Counsel arranges for annual Corporate Governance updates to the Board from external advisers and provides other regulatory updates as appropriate.	Engage with regulators in a timely manner. Ensure GMP regulatory compliance. Protect proprietary company information and know-how. Compliance with the Corporate Governance Code.	One audit by a Government regulatory body. Preparation of drug master files and product specification files. GMP inspection and regulatory training for employees and Directors. Company- wide reminders of confidentiality. Enforcement of confidentiality policies. Regular review of compliance with the Corporate Governance Code and updates provided to the Board, as appropriate.	p 42-66 ESG p 67 Risk management framework p 68 Legal, Regulatory and Compliance risks

STAKEHOLDER CASE STUDY

During 2023, the Group entered into discussions with Institut Mérieux regarding the acquisition of ABL Europe, recently renamed Oxford Biomedica (France), as part of the Group's transformation to a pure-play CDMO. The transaction completed on 29 January 2024.

The Board charged management to consider and report on the impact that the acquisition would have on the stakeholders. The Board considered and challenged management's analysis.

Patient Population and clients

The Board considered the impact that the transaction would have on the wider patient population and the Group's clients.

The Board concluded that the transaction would provide the Group with multi viral vector CDMO capabilities across multiple sites in the UK, the US and the EU, thereby expanding Oxford Biomedica's manufacturing and process development capability for clients in the EU.

The Board believed that the increase in capacity would address increased client demand and reinforce Oxford Biomedica's position as a world leading cell and gene therapy CDMO, whilst not disrupting ongoing client projects at Oxford Biomedica (France).

Shareholders

The Board considered the effect of the transaction on the Group's shareholders and assessed whether it was in the shareholders' best interests to proceed with the transaction.

The Board believed that the acquisition was in line with the Group's publicly stated strategy and would facilitate the Group in expediting its goal of becoming a pure-play CDMO.

In addition, the Board believed that the transaction would raise the profile of the Group within the investment community and beyond and would facilitate access to a broader investor base, allowing for diversification of the Group's shareholder base.

Employees

Consideration was given to the effect the negotiation and acquisition process would have on employees as well as the longer-term integration of Oxford Biomedica (France) into the Group.

It was noted that the expected impact on employees would be felt not only in terms of the increased workload for key employees involved in the diligence and negotiation of the transaction itself under a tight time frame but also as a result of the integration and alignment process that was expected to continue for at least a 12-month period following closing of the transaction.

A review of workload and priorities was undertaken to ensure those working on the integration activities had the necessary support.

The team were also permitted to retain any annual leave they were unable to take during the transaction timetable that would otherwise have lapsed at year end.

Supply chain and regulators

The Board assessed the effect of the transaction on the Group's suppliers and existing supply chain. The Board decided that the Group's suppliers would not be significantly affected by the transaction and there should not be any additional pressure on the supply chain.

The Board recognised the need to serve clients through a dedicated continental Europe Quality Control centre of excellence that allows batch release for the European market.

The Board also gave consideration to the Group's relationships and dealings with regulators both within the UK and, given the location of Oxford Biomedica (France), the French regulators.

The Board recognised the regulatory approvals required by both the UK and the French regulators to allow completion of the acquisition as well as recognising the additional future regulatory workload and compliance dealing with an additional regulatory authority.

Local communities

The Board considered whether the transaction would have any positive or negative effect on local communities.

The Board concluded that it would have a positive impact for OXB employees in terms of career development opportunities and future job security due to increased opportunities for the Group as a whole.

The Board believed that the transaction would have a positive effect on the existing communities in Strasbourg and Lyon, France where Oxford Biomedica (France) is located, bringing more business and employment to the local area.

Following due discussion and consideration, the Board concluded that it was in the best interests of the Group's stakeholders, taken as a whole, to proceed with the transaction.

Chief Executive Officer's and 2023 performance review

2023 was a year of strategic transformation where we took important steps towards our vision of becoming a global pure-play cell and gene therapy CDMO.

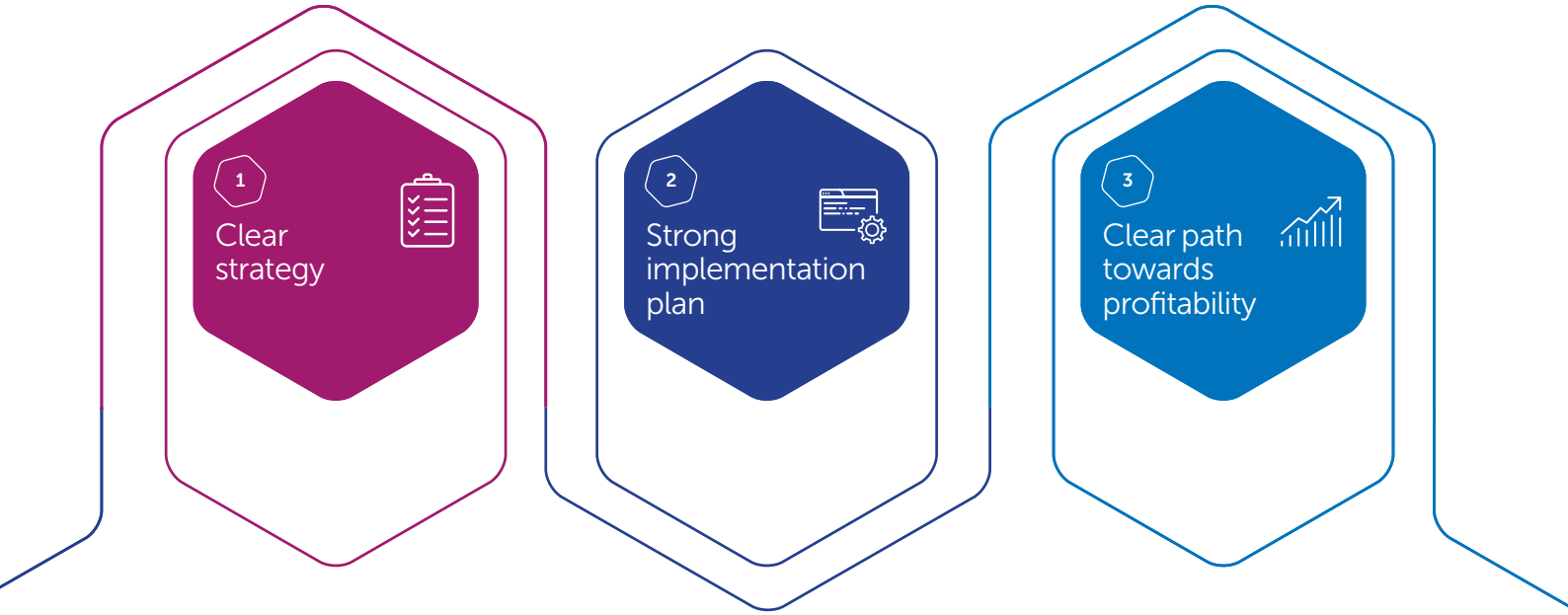
Dr. Frank Mathias
Chief Executive Officer

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 70,000ft^2 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 Arenaviradea, 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 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

[1] as per the YE 2022 results release
[2] as of this results release (includes post period-end events)
[3] 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.

The Group's business pipeline also showed positive momentum, with the business development pipeline growing by over 50%

The TetraVecta™ system outperforms traditional 3rd generation lentiviral vectors

	3rd 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 Cournez 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 profitability to the Group's shareholders.

MAKING CELL AND GENE THERAPY HAPPEN

We're already collaborating with some of the world's most innovative pharmaceutical and biotechnology companies to make cell and gene therapy a universally accessible clinical option.

Management Team

During 2023, the Management Team (referred to as the Senior Executive Team until November 2023 when it became the Corporate Executive Team) comprised the following:

Frank Mathias (1)

Chief Executive Officer

Dr. Frank Mathias joined Oxford Biomedica and the Board in March 2023. Dr. Mathias was previously the CEO of Rentschler Biopharma SE, which he successfully developed into a leading global, full-service CDMO. Prior to this, Dr. Mathias was CEO of Medigene AG, a publicly listed immuno-oncology company focusing on the development of T-cell-based cancer therapies. Over the course of his 30-year career, Dr. Mathias has also served in senior roles at leading global pharmaceutical companies including Amgen, Servier, and Hoechst AG, and in 2019 was awarded the title of "EY Entrepreneur of the Year" in Germany. Dr. Mathias is a pharmacist by training and completed his Doctorate in Pharmacy at Paris VI University.

Stuart Paynter (2)

Chief Financial Officer

Stuart Paynter joined Oxford Biomedica and the Board in August 2017 as Chief Financial Officer. Mr. Paynter has over 23 years' experience in the pharmaceutical and healthcare sectors. He qualified as a chartered accountant with Haines Watts before moving to EDS. Mr. Paynter subsequently joined Steris and worked in a variety of roles within the healthcare and life sciences divisions prior to becoming the European Finance Director. Mr. Paynter then moved to Shire Pharmaceuticals where he became the Senior Director of Finance Business Partnering for all business outside of the US, transitioning to a corporate finance role before becoming the Global Head of Internal Audit. Prior to joining Oxford Biomedica, Mr. Paynter was Head of Finance Business Partnering at De La Rue plc. He is a member of the Institute of Chartered Accountants in England and Wales.

James Miskin (3)

Chief Quality and Technical Officer

Dr. James Miskin joined Oxford Biomedica in 2000. He has more than 23 years' experience in cell and gene therapy, 17 of which have been in the GxP (good practice) environment. In his current role, Dr. Miskin has overall responsibility for Oxford Biomedica's Quality and Regulatory functions, as well as the newly formed technical excellence function. He is also a named inventor on several patents in the field. Dr. Miskin holds a Bachelor of Science degree and a PhD in Molecular Biology from the University of Leeds and subsequently conducted post-doctoral research at The Pirbright Institute for a number of years. He is a member of the UK BioIndustry Association Manufacturing Advisory Committee and is the Advanced Therapies workstream lead for The Medicines Manufacturing Industry Partnership. He is also director of the OXB-led BBSRC funded collaborative training partnership, Advanced Bioscience of Viral Products (ABViP), which is a 7-year programme together with the University of Oxford and UCL for the training of PhD/DPhil students.

Kyriacos Mitrophanous (4)

Chief Innovation Officer

Dr. Kyriacos Mitrophanous joined Oxford Biomedica in 1997. He has over 25 years of lentiviral vector experience covering a range of technical disciplines, including the development of cell and gene therapies, delivery platform technologies, bioprocessing and analytics. Dr. Mitrophanous is a recognised world-class expert in the field, a named inventor on numerous lentiviral vector patents and an author of a number of key papers. In his current role, he is responsible for all aspects regarding client focussed innovation. He holds a PhD in Molecular Biology from University College London and has conducted post-doctoral research at the University of Oxford.

Lisa James (5)

Chief People Officer

Lisa James joined the Corporate Executive Team as Chief People Officer in April 2022, having worked with Oxford Biomedica since 2016. She joined Oxford Biomedica as HR Manager and during her seven-year tenure was promoted to Head of HR Delivery and VP HR Business Partnering and Development. Previously, Ms James worked as HR Manager for a European third-party High-Tech Logistics organisation, specialising in medical devices. Ms James has over 13 years' experience in Human Resources and a CIPD Level 7 Advanced Diploma in Human Resource Management.

Matthew Treagus (6)

Chief Information Officer

Matthew Treagus joined Oxford Biomedica in August 2021 as Chief Information Officer, having worked as a consultant with the Company since 2019. He has over 30 years' experience of applying technology to support growth, innovation and efficiency. Mr. Treagus was a co-founder of AKQA, a digital services business, now part of WPP Group plc, a pioneer of the internet services industry. Most recently, he was a Partner at Baringa Partners LLP with responsibilities in the Customer and Digital team working across the Retail, Financial Services and Energy sectors. Mr. Treagus ran his own consultancy business for 12 years advising a diverse set of clients, including Oxford Biomedica. He has also served as interim CIO at Save the Children UK.

Natalie Walter (7)

Group General Counsel

Natalie Walter joined Oxford Biomedica in May 2019 as General Counsel having worked as a consultant for the Company since May 2018. She has over 20 years' experience as a corporate lawyer advising life sciences companies, including Oxford Biomedica, on a range of business and transactional issues, equity capital markets transactions, mergers and acquisitions and corporate governance. Ms Walter has worked for a number of UK and US law firms, as well as working at Lehman Brothers as a Director and Legal Counsel for the Equity Capital Markets division. She was most recently a Partner with Covington & Burling LLP. Ms Walter also sits on the Board of C4X Discovery Holdings plc as a Non-Executive Director.

Sébastien Ribault (8)

Chief Commercial Officer

Dr. Sébastien Ribault joined Oxford Biomedica in November 2022 as Chief Commercial Officer. He has over 25 years of experience across the biotechnology industry and CDMO space. Dr. Ribault was previously at Merck Life Sciences where he was Vice President & Head of Biologics and Viral Vector CDMO, leading Merck's CDMO expansion project, establishing the Services business case and helping to establish the Life Science Services business unit. Prior to his 17 years with Merck KGaA, Dr. Ribault was a Gene Therapy Development Scientist at Transgene and Head of the R&D Laboratory at Hemosystem. He has a PhD in Molecular and Cellular Biology from the University of Strasbourg.

Thierry Cournez (9)

Chief Operating Officer and UK Site Head

Thierry Cournez joined Oxford Biomedica as Chief Operating Officer and Site Head of UK Operations in October 2023. Mr. Cournez has extensive experience in Sales, Marketing and GMP/GLP operations, with broad industry knowledge in the life science, biopharma and CDMO ecosystems. Prior to joining Oxford Biomedica, Mr. Cournez served as Vice President of Global Testing Operations Bioreliance® at Merck Life Science, where he successfully managed large capacity expansion projects and held international responsibility for contract testing operations across the US, the UK, Singapore and China. Prior to this, in his role as Vice President of End-to-End Bioprocessing Solutions, Mr. Cournez built and developed Merck Life Science's End-to-End Promise Venture business unit, which involved the delivery and implementation of CDMO solutions for biopharma clients. Mr. Cournez holds an Engineer's Degree in Biochemistry and Molecular Biology from INSA, Lyon, alongside a Master's of Science in Molecular Biology from Paris VI University.

Mark Caswell (10)[1]

Site Head of US Operations

Mark Caswell joined Oxford Biomedica as Site Head of US Operations in July 2023. He has more than 25 years of experience and expertise in the biopharma and CDMO space. Previously, Mark was Vice President, Site Head of leading global CDMO Rentschler Biopharma, where he successfully managed all operations at the company's US facilities in Massachusetts. Mark has a diverse background in various areas of operations, including serving as Head of Operations at Lonza's Portsmouth, New Hampshire site and as Director, Global Engineering and Technology at Sanofi Genzyme. Mr. Caswell holds a BS in Nuclear Engineering Technology from Thomas Edison State University. Mark is also a proud veteran of the US Navy.

[1] Mark Caswell was a member of the Senior Executive Team until November 2023 when it became the Corporate Executive Team. Mr. Caswell remains Site Head of Oxford Biomedica (US) LLC but is not a member of the newly formed Corporate Executive Team.

Jason Slingsby

Jason Slingsby stepped down from his position as Chief Business & Corporate Development Officer in April 2023.

Tim Kelly

Tim Kelly stepped down from his position as Oxford Biomedica Solutions (now Oxford Biomedica (US) LLC) CEO in July 2023.

Ravi Rao

Ravi Rao stepped down from his position as Chief Medical Officer in October 2023.

Financial review

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.

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

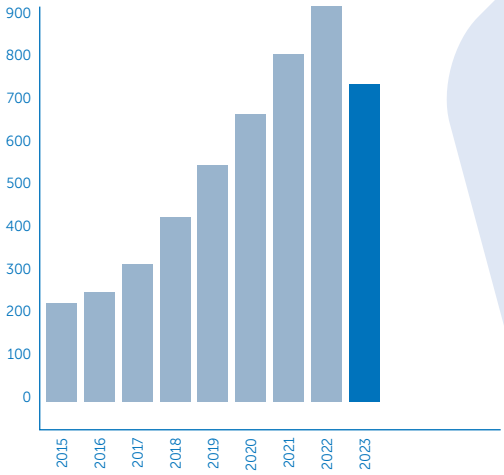
2023 was a transformational year, with the Group executing on its strategy to become a quality and innovation-led pure-play cell and gene therapy CDMO with a global reach. This has been achieved by the closing of the legacy product development division, organisational realignment and the recent acquisition 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.

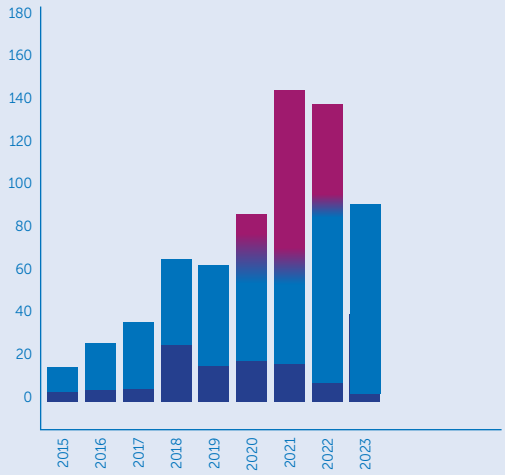
As part of its evolution into a quality and innovation-led pure-play cell and gene therapy CDMO, the Group made the difficult decision to reorganise its workforce, affecting approximately 200 positions. This reorganisation included a more streamlined structure across the UK and the US to ensure strategic 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[1] loss of £(52.8) million in 2023 compared to revenues of £140.0 million and an Operating EBITDA[1] 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.

[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 35.



Year-end headcount



Revenue
£m

Licence, milestones and grants
Bioprocessing and process development
Vaccine revenues*

* Vaccine revenues were in excess of £40 million in 2022 and in excess of £100 million in 2020-2021.

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 on an annualised basis 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.

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 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 licenses 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 EBITDA[1] 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 burn[3] 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).

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
Licences, 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[1]	**(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[2]	**9.8**	16.3	9.5	13.4	25.8
Cash (burn) / accretion[3]	**(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

[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 35.

[2] 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 136.

[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 37.

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[1]	**(146.1)**	(162.0)	(107.8)	(81.1)	(70.2)
Operating EBITDA[2]	**(52.8)**	1.6	35.9	7.3	(5.2)
Impairment	**(99.3)**	**-**	**-**	**-**	**-**
Non cash items[3]	**(32.1)**	(31.8)	(15.1)	(13.0)	(9.3)
Operating (loss)/profit	**(184.2)**	(30.2)	20.8	(5.7)	(14.6)

[1] Total expenses are operational expenses including cost of goods incurred by the Group. A reconciliation to GAAP measures is provided on page 34.

[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 35.

[3] 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 35.

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 on the next page.

£'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[2]	**25.4**	28.2	15.1	11.3	11.9
Impairment	**99.3**	0.0	0.0	0.0	0.0
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)	(0.0)	-	-
Impairment	**(99.3)**	-	-	-	-
Share option charge	**(3.5)**	(5.4)	(2.5)	(2.4)	(1.6)
Adjusted Operating expenses[3]	**96.3**	91.2	47.6	39.5	34.5
Cost of sales	**49.8**	70.8	60.2	41.7	35.7
Total Expenses[4]	**146.1**	162.0	107.8	81.1	70.2

[1] Includes the RDEC tax credit.
[2] Included £5.1 million in one-off acquisition-related due diligence costs in 2022 relating to the transaction to acquire Oxford Biomedica Solutions.
[3] Research, development, bioprocessing and administrative expenses excluding depreciation, amortisation, impairment and the share option charge.
[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	0.0	0.0
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 Expenses[1]	**146.1**	162.0	107.8	81.2	70.2

[1] Total expenses are operational 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 EBITDA[1]	**(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 33.

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:

1. 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
2. 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	11.7	(10.0)	1.6
Operating loss	(17.9)	(12.3)	(30.2)

[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 35.

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 to 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) / inflow[5]	**(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 35.
[3] This is Changes in working capital and reversal of the Gain on sale of building as outlined in note 30: Cash flow from operating activities on page 160.
[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 136.
[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 125 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 £0.6 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[1] 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.

[1] Revenue backlog represents ordered CDMO bioprocessing/commercial development revenues available to earn. The value of client orders included in revenue backlog only includes the value of work for which the client 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.

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 £120.0 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 €10 million 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

Objectives set for 2024

The Company Goals for 2024 apply to all entities. The Goals are cascaded across all sites and incorporated in employees personal objectives.

Objective	Headlines	Weighting
People	**Attract develop and retain highly motivated people by developing our leadership, defining a "One OXB" culture and connect people with the vision and strategy of OXB.** • Reduce voluntary turnover • Improve overall sustainable engagement score	10%
Commercial	**Acquire new clients and projects. Increase commercial pipeline and portfolio size by expanding client relationships to include new projects.** • Increase order volume • Maintain client satisfaction	20%
Build "ONE OXB"	**Transform to a pure-play CDMO following a systematic approach and integrate all three geographies into one company.** • Complete transformation and integration activities according to the two-year plan • Increase resource allocation on client projects	10%
Delivery	**Focus on efficiency and quality to increase output and improve margin. Prepare for the next wave of innovation with focus on technical excellence and clients' needs.** • Increase Right-First-Time • Complete transfer of Lenti to US	10%
Financials	**Achieve the 2024 budget; revenue growth and broadly break-even reached. Manage expenses, realise additional cost savings. Quarterly guidance updates to the market on progress to be released by Investor Relations.** • Increase revenues • Reach broadly break-even • Carry adequate gross cash	50%

Overall, Oxford Biomedica is committed to enhance its ESG activities (environmental, social, and governance) activities in 2024. By the end of 2024, clear ESG objectives will be defined for the Group.

The Remuneration Committee has overriding discretion on the assessment of the achievement of the above goals and can determine the extent to which each is met, partially met or exceeded. The Remuneration Committee will also take into consideration the circumstances in which the goals were achieved, for example, the market conditions, if achieved on time and to budget.

SUSTAINABILITY REPORT

The Group's ESG mission is to deliver life-changing cell and gene therapies to patients in an ethical and socially responsible way.

Oxford Biomedica's ESG mission

Oxford Biomedica's ESG mission is to deliver life-changing cell and gene therapies to patients in an ethical and socially responsible way. This mission has become firmly embedded, both in terms of the areas of focus of the business, and also in how the Group does business. During 2023, Oxford Biomedica continued to focus on ways to increase sustainability initiatives across the Group, and to build momentum in its mission-led approach to incorporate sustainable practices in regular, day-to-day business activities.

Oxford Biomedica's ESG Committee

The Group's ESG Committee is responsible for the governance and oversight of the ESG commitments. Until September 2023, the ESG Committee was chaired by Nick Page – in his capacity as Chief Operations Officer. From September 2023, following Mr. Page's decision to step down from the Group, the Group's CEO, Dr. Frank Mathias assumed the role of Chair of the ESG Committee.

The ESG Committee is responsible for tracking progress against the objectives and providing regular progress reports to the CET every quarter. Progress updates are also shared in all-company meetings, and to the Board.

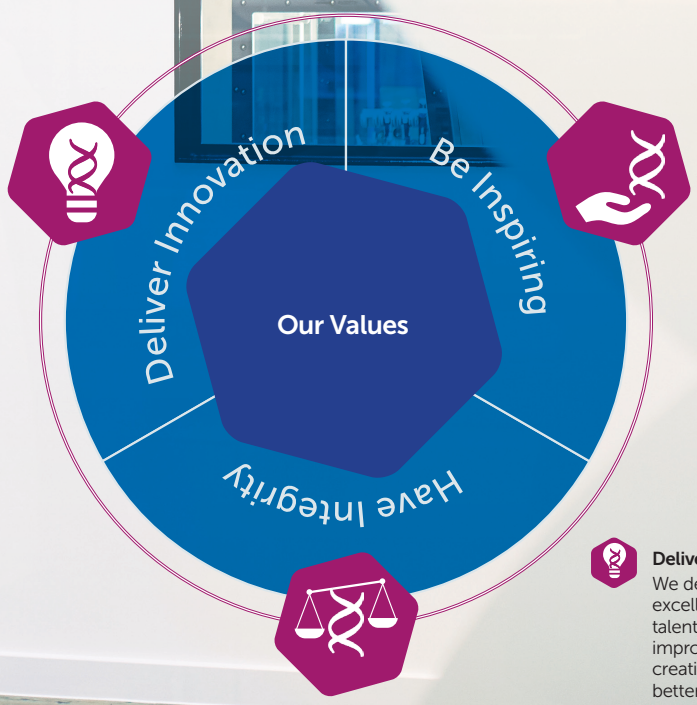
In 2024, the ESG strategy will be reviewed to reflect OXB's strategic reset as a pure-play CDMO. This will include an assessment of pillars and objectives to reflect the new structure of the business and the global multi-site model.

- People
- Community
- Environment
- Innovation
- Supply Chain

Values

Oxford Biomedica's three values, "Integrity, Innovation and Inspiration", govern the way that the Group does business, how the Group works together and the interactions the Group has with all its stakeholders.

Oxford Biomedica's values and the associated behaviours are embedded throughout its people processes, including recruitment practices, seeking evidence that job candidates share the Group's values upon appointment. The values are an important feature in the Group's reward principles. Its performance management processes ensure that employee behaviours which align with its values are appropriately recognised and rewarded.



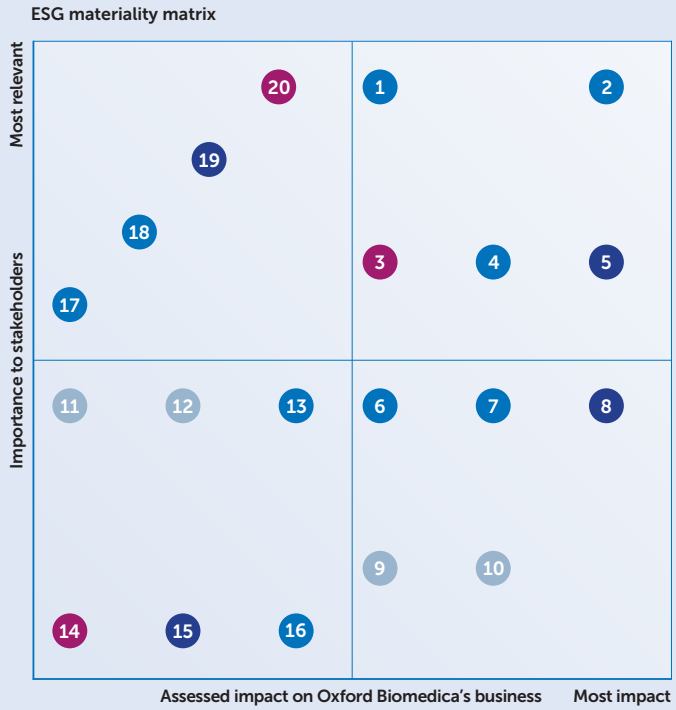
Be inspiring
We succeed together through our passion, commitment and teamwork. Through our actions and behaviours, we create an environment which positively challenges, engages and excites us.

Deliver innovation
We deliver ground-breaking scientific excellence by nurturing exceptional talent. Together, we continually improve by generating new ideas and creative ways of working to bring about better solutions for patients.

Have integrity
We always do the right thing. Whatever the situation and consequences, we do what's right for employees, patients and clients. We make objective decisions and can be trusted to deliver on our commitments.

Analysis of material ESG issues

The Group conducted an analysis to identify and prioritise ESG-related issues that are most critical to the organisation, as described in the diagram below. This analysis was used to create the five pillars for the Group's ESG strategy.



People

5 Employee safety and wellbeing
8 Talent attraction and retention
15 Anti-bribery and corruption
19 Brexit

Community

3 Outreach, engagement and early talent development
14 Human rights and labour standards
20 Transparent reporting and communications

Responsible Innovation

1 Intellectual property, product and technological innovation
2 Product safety
4 Privacy and data security
6 Regulatory compliance
7 Business continuity
13 Ethical supplier standards
16 Animal testing
17 Ethics
18 Clinical trial conduct

Environment

9 Waste and recycling
10 Water use and water effluent
11 Energy use and climate change
12 Single use plastics

OXB's commitment to responsible business practices has been recognised with Prime status (as of 25 June 2021).

ISS is one of the world's leading rating agencies for sustainable investments. Prime status is awarded to companies with an ESG performance above the sector-specific Prime threshold, which means that they fulfil ambitious absolute performance requirements.

Corporate ESG Performance
Prime
RATED BY ISS ESG

OXB has been included in the FTSE4Good index since 2022. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

FTSE4Good

People

Equality, Diversity and Inclusion (EDI)

As part of the Group's EDI three-year plan, three focus areas have been defined - Women in work, Neurodiversity and LGBQTIA+. Throughout 2023, events were held to celebrate and raise awareness of these focus areas, including a LGBTQ+ Pronouns and Allyship Workshop, celebrating International Women's Day with a how to 'break the bias' and 'Embrace Equity' Webinar, activities including launching a book club, quizzes, and an OXB employee designed Pride badge. Employee Network Groups have been formed in the focus areas, which are voluntary, employee-led groups whose aim is to foster a diverse, inclusive workplace. Their aim is to help marginalised groups, and their allies, feel connected through a common cause or interest, thereby building a strong community to help create a sense of belonging whilst supporting employee wellbeing.

The Group continued its commitment to review OXB policies to ensure they are inclusive, progressive and offer equal opportunities to all employees. A new set of policies have been released in line with national awareness days including a set of Family friendly policies, a Religion and Belief policy, a Transgender and Non-Binary Policy, a Menopause policy and a newly updated Reasonable Adjustments policy.

Health and Wellbeing

Throughout the year, the Group's wellbeing programme included webinars on "Stress Less Perform Best", "Building Healthy Habits", "Connecting Teams", "Focusing Time and Attention" and "Managing Change". Mental health awareness week was celebrated with onsite activities across all global sites to encourage conversations around mental health. Guidance and resources have been shared on ways to "Increase Energy and Productivity Levels", Endometriosis, Sleep Support, Bowel Cancer, Movember and World Menopause Day and guides to support discussions around mental health with young people and friends.

OXB has continued to address feedback from its employee engagement survey "Your Voice" and continues to find ways to connect its employees with its mission through patient story events, which in 2023 included "Cystic Fibrosis, cheating death and the potential of gene therapy".

Group Headcount

	Male	Female	Total	% Male	% Female
Board including Non-Executive Directors	6	5	11	55%	45%
Senior managers and direct reports	24	31	55	44%	56%
All other employees	304	344	648	47%	53%
Total	334	380	714	47%	53%

Group headcount as at 31 December 2023.

In 2023, the Group experienced an increase in involuntary turnover due to the streamlining of its operations and transformation of its organisational structure. In the twelve months leading up to 31 December 2023, the average involuntary turnover rate for the Group was 19%, up from 5.7% in the prior year. Voluntary turnover was 12.7% for its UK employees (-0.3% relative to benchmarks) and 10.8% for its US employees (-3.7% relative to benchmarks).

2023 HIGHLIGHTS

2023 People objectives – what was achieved:

Deliver on year one actions from the three-year Equality, Diversity and Inclusion plan.	85%
Continue employee engagement activity and expand to cover new topics.	75%
Introduce further wellbeing initiatives to ensure the Group is offering something for everyone.	100%

2024 FOCUS

2024 People objectives:

- Implement and deliver mandatory online EDI training to all employees to raise awareness and understanding of inclusivity and bias. Establish newly structured Group and site level ESG Committees.
- Promote and educate around the newly launched progressive and enhanced policies to demonstrate OXB's commitment to its wider EDI agenda and continue to develop a culture of inclusivity and belonging at OXB.
- Embed the newly created Employee Network Groups. Lead and support them to raise awareness, celebrate events and form an agenda to ensure OXB's working practices and culture continue to be equitable and inclusive.
- Continue to support the community through employees volunteering and raising money for charities.

Supply Chain

The Group is fully committed to responsible supply chain management. Throughout 2023, the Group continued to build a supply chain that aligns with the Group's commitment to sustainability whilst delivering commercial benefit. The Supplier Code of Conduct which the Group launched in 2021 has been issued to the Group's top 125 suppliers for compliance detailing the Group's overall approach to supplier engagement and the standards it expects its suppliers to adopt.

Supplier Code of Conduct

OXB's Supplier Code of Conduct follows a continuous improvement approach and includes the Group's conduct commitments and its expectations of suppliers in relation to bribery and corruption, animal welfare, child labour, data privacy and protection. Also included in the Supplier Code of Conduct is information pertaining to health and safety practices, governance and management systems, human rights matters, environmental practices and related management systems. The Group's robust processes and controls ensure that all elements of its supply chain are managed responsibly. Full details of the Group's ESG pillars, including the Supplier Code of Conduct, can be found on the ESG section of the website at www.oxb.com.

2023 HIGHLIGHTS

2023 Supply Chain objectives – what was achieved:

To hold quarterly face-to-face meetings with key suppliers to review their compliance with the supplier code of conduct.	50%
Continue employee engagement activity and expand to cover new topics.	75%
To develop and issue a Supplier Code of Conduct Questionnaire for all GMP suppliers to assess their compliance with the Supplier Code of Conduct.	100%

2024 FOCUS

2024 Supply Chain objectives:

- Incorporate the Supplier Code of Conduct as an integral component of the supplier contracting/on-boarding process.
- Roll out the OXB Supplier Code of Conduct to French & US site suppliers.
- Make progress during the year towards code of conduct compliance to cover 90% of spend with suppliers.

Innovation

OXB is committed to delivering life-changing cell and gene therapies to patients in an ethical and socially responsible way. This will be achieved by practising and delivering ethical, relevant and sustainable innovation.

Innovation tools to support delivering greater economic value

Through the majority of 2023 the Technical Development Committee (TDC), with support from the New Technology Committee, provided governance around the Group's decisions for investment in innovation and new technologies, including identifying and prioritising innovation around process intensification to produce therapeutic viral vectors in sufficient quantities to meet clinical and commercial demands in a more economical and environmentally sustainable way. As of December 2023, the decision was made to disband the TDC.

From December 2023, the newly-formed Global Technical and Innovation Committee and associated governance processes will be used to facilitate the Group in determining the most appropriate areas of innovation to prioritise. The technology and innovation roadmap will be employed to ensure the smooth and timely progression of new technologies from inception to commercialisation, supported by staged investment decisions.

Continued strong academic collaborations and support of studentship programmes

During 2023, OXB continued to support PhD/ DPhil studentships through the Advanced Bioscience of Viral Products (ABViP) programme. The multi-disciplinary training programme is led by OXB and involves both UCL and University of Oxford as academic institutions as well as being supported by the BBSRC partnership. The programme will help foster development of the next generation of bioscience leaders and advance research in the area of viral vectors for future gene therapies and vaccines. ABViP will train a cohort of 24 PhD/DPhil students over the course of 2022, 2023 and 2024, with 7 students enrolled on to the programme in 2022, 9 students enrolled on to the programme in 2023, and recruitment is underway for 8 students to join the programme later in 2024.

The Group intends to continue to support outreach programmes, to promote STEM careers as a viable route for school children from demographics with low representation in higher education, particularly in STEM subjects.

2023 HIGHLIGHTS

2023 Innovation objectives – what was achieved:

Increase public engagement through participation in school and university outreach programmes and continued support for the ABViP programme.	100%
Innovation in scaled down and digitised platforms to intensify R&D activities while minimising resource utilisation.	100%
Continue to deliver on maximising productivity at scale and reducing environmental impact.	100%

2024 FOCUS

2024 Innovation objectives:

- Increase public engagement through participation in school and university outreach programmes and continued support for the ABViP programme, a 7-year doctoral training programme in partnership with UOXF and UCL.
- Further development and roll-out of scaled down and digitised platforms to support rapid progress in client projects and reaching patients faster.
- As a client-centric CDMO, ensure high quality delivery on client programmes with a focus on maximising productivity at scale and reducing environmental impact.

Community

Volunteering

OXB recognises the importance and power of giving back and encourages its employees to take a day off to volunteer through its volunteering policy, a scheme which allows employees to request up to seven hours of paid time off for volunteering each year. Employees can choose to support a local charity or lend a helping hand to a community project and see their efforts make a real difference. Throughout the year, 24 volunteering days were taken, with volunteering days used by employees to sell poppies for the British Legion, tree planting, complete a paddle board litter pick on the river Thames and supporting the Oxford garden Project.

Charitable giving

Fundraising efforts for the Group's nominated charities, Oxfordshire Mind (Registered Charity No. 261476) and Homeless Oxfordshire (Registered Charity No. 297806), selected through an employee vote, continued during the year. As part of the OXB's commitment to provide support to these local charities, a group of employee volunteers, known as the Helping Hands team, organised a series of fundraising events and a total of £3,320 was raised for nominated charities. In addition, OXB made further donations of £3,000 to each of the Group's nominated charities and made a £50,000 donation to the Disasters and Emergencies Committee for the Turkey and Syria earthquake appeal.

In 2023, the Group continued to run 'payroll giving', providing employees with the opportunity to support UK-registered charities in a tax-efficient manner through monthly payroll contributions.

Apprenticeship scheme

As part of the Group's focus on delivering local benefits and providing high-skilled jobs to the local community, OXB has an apprenticeship scheme in collaboration with the Advanced Therapies Apprenticeship Community and multiple training providers. In 2023, the Group chose not to enrol any further apprentices, but to focus on supporting the 32 apprentices already on programme, of which, 7 completed their apprenticeship. The apprentices include school leavers from the local community who are enrolled on a training scheme in the highly skilled areas of manufacturing and analytical testing. OXB is committed to supporting the apprentices through in-post learning, training, and expanding the scheme in the future.

2023 HIGHLIGHTS

2023 Community objectives – what was achieved:

Continue to fundraise for chosen Group charities.	100%
Build on the Group volunteering policy launched in 2022 to increase employee involvement in local community.	90%
Continue to build local educational establishment/early career links.	100%

2024 FOCUS

2024 Community objectives:

- Continue to fundraise for chosen Group charities.
- Build on the Group volunteering policy to increase employee involvement in local community volunteering.
- Continue to build local educational establishment/early career links. Increase Social engagement within the company and community.

Environmental

The Group is steadfast in acknowledging its duty to mitigate the effects of its operations on the environment, neighbouring communities, and employees. The ongoing development of OXB's Environmental Management System (EMS) aligns seamlessly with the Group's strategy for growth. The Group continues to collaborate with stakeholders such as regulators, utility providers, waste operators, and suppliers, to enhance responsible operating practices. Adherence to all environmental regulations, encompassing permits, consents, waste disposal and discharges underscores the Group's commitment to environmental responsibility.

In 2023, OXB embarked on a strategic journey marked by heightened transparency within environmental reporting. Notably, this year marked the inaugural utilisation of Carbon Disclosure Project (CDP) to spotlight existing management practices and identify avenues for further enhancements in addressing climate change risks and opportunities. Furthermore, 2023 stands out as the year in which OXB formally committed to the Science Based Targets Initiative (SBTI). The Group recognises that establishing robust and verified targets is imperative for instilling confidence in the realisation of the Paris Agreement Goals.

Significant strides have been made in the computation of scope 3 emissions, with both Oxford, UK and Bedford, US site data shared with third-party specialists. Plans for 2024 include a paradigm shift in the Group's near-term and long-term decarbonisation targets, aligning them with the baseline and ambitious goals encompassing the entirety of the Group's value chain emissions.

While the Group has concentrated on high-level strategic initiatives this year, it is important to note that endeavours to diminish environmental impact have remained at the forefront. As evident in the Streamlined Energy and Carbon Reporting (SECR) section of the Annual Report and accounts, the Group has directed its efficiency initiatives towards reducing water consumption, implementing lighting upgrades, introducing recycling practices in the manufacturing facility, encouraging carpooling and achieving a second consecutive entry into the International Freezer Challenge. In 2024, there will be a heightened focus on operational efficiencies, including strategies such as consolidating liquid waste for more streamlined collections and implementing measures for better control of office temperatures. The acquisition of sites in Lyon and Strasbourg, France is expected to bring forth fresh perspectives and innovative ideas within the Group, fostering an environment conducive to knowledge sharing. It is imperative that these newly acquired French sites align seamlessly with the overall governance structure, performance monitoring, and target-setting of the Group. This alignment will necessitate the incorporation of the sites' greenhouse gas (GHG) emissions into the Group's comprehensive emissions profile.

2023 HIGHLIGHTS

2023 Environmental objectives – what was achieved:

Commit to the Science-Based Targets Initiative (SBTI).	100%
Baseline the Group's extended value chain (scope 3) emissions.	100% *All UK and US value chain emissions have been baselined (2021 data). Following the acquisition of ABL Europe in January 2024, this target will be extended to include French sites in the 2024 Annual Report and accounts.*
Develop a net zero plan by 2040 and meet the Group's TCFD metrics.	50% *The Group had originally planned to have SBTI near-term targets validated in 2023, but the plans for ABL Europe acquisition late in the year necessitated the shift of this target to 2024. The Group is also extending the final net zero target year to 2050 because of reliance on future technological innovation and favourable market conditions to provide the required emission reduction.* *Alignment to the TCFD recommendations has improved with the assessment of expected financial materiality on identified risks and opportunities. The metrics and targets section will be improved in 2024 as a result of entire Group value chain emissions and near-term targeting awaiting validation.*
Appointment of a representative from OXB (US) LLC to the Group ESG Committee.	100% *Committee structure will be changing in 2024 (see 2024 targets). However, buy in at OXB (US) LLC and ABL Europe has already been achieved.*

2024 FOCUS

2024 Environmental objectives:

- Inclusion of Lyon and Strasbourg sites within Group baseline and net zero trajectory.
- Establish newly structured Group and site level ESG Committees.
- Confirm near-term GHG targets and investigate emission reduction initiatives to achieve target demands.
- Submit near-term targets for SBTI validation.
- Incorporate TCFD aligned climate-risk training for elected members of the Finance Department.

Streamlined Energy and carbon reporting (SECR) STATEMENT

The Group recognises that OXB's global operations have an environmental impact and it is committed to monitoring and reducing the Group's emissions. OXB is also aware of its reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

In order to fulfil these obligations, the methodology used to calculate OXB's greenhouse gas emissions has been deployed in accordance with the requirements of the following standards:

• World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version).

• Defra's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019).

• UK office emissions have been calculated using the Defra 2023 issue of the conversion factor repository.

Following an operational control approach to defining the Group's organisational boundary, the calculated GHG emissions from business activities in the UK fall within the reporting period 1 January 2023 to 31 December 2023, using the January to December reporting periods of 2021 and 2022 as comparison.

		Global Emissions tCO_2e			
	Emission Source	**2021**	**2022**	**2023**	**Percentage Change to 2022**
Scope 1	Natural Gas	1,103.98	801.43	750.14	-6.4%
	Diesel	13.08	6.30	24.90	+295%
	Fleet	12.82	9.18	9.14	-0.5%
	Refrigerant	54.86	23.44	0	-100%
	Medical CO_2	15.24	45.30	44.18	-3.5%
Scope 1 Emissions (UK and Ireland)		1,164.47	850.14	802.83	-5.8%
Scope 1 Emissions (USA)		35.51	35.51	25.53	-28.2%
Total Scope 1 Emissions		1,199.98	885.65	828.36	-6.5%
Scope 2	Electricity (Market-Based) (UK and Ireland)	280.88	43.91	15.34	-65.1%
	Electricity (Market-Based) (USA)	1,130.69	1,130.69	1,221.16	+8%
	Electricity (Location-Based) (UK and Ireland)	2,147.98	1,670.81	1,682.77	+0.7%
	Electricity (Location-Based) (USA)	1,130.69	1,130.69	1,221.16	+8%
Total Scope 2 Emissions (Market-Based)		1,411.57	1,174.60	1,236.50	+5.3%
Total Scope 2 Emissions (Location-Based)		3,278.67	2,801.50	2,903.93	+3.7%
Scope 3	Electricity Transmission and Distribution	243.36	206.12	203.17	-1.5%
	Water	4.72	3.56	5.85	+64.3%
	Employee Commuting	1,054.85	1,046	849.92	-18.8%
	Business Travel (Employee cars)	2	6	6	-
	Business Travel (Rail)	1	1	2	+100%
	Business Travel (Taxis)	1	2	3	+50%
	Business Travel (flights)	109	448	435	-2.9%
	Paper	4.04	2.90	4.19	+44.5%
	Waste and Recycling	52.21	52.20	33.71	-35.5%
Scope 3 Emissions (UK and Ireland)		1,251.13	1,375.55	1,171.04	-14.7%
Scope 3 Emissions (USA)		221.05	392.23	371.8	-5.2%
Total Scope 3 Emissions		1,472.18	1,767.78	1,542.84	-12.7%
Total All Emissions		4,083.73	3,828.03	3,607.70	-5.8%
Total Energy Usage (kWh)		19,148,159.45	15,977,677.88	15,566,675.48	-2.6%
Normaliser (tCO_2e/£ Revenue)		28.6	27.3	40.30	+47.6%

Natural Gas Consumption:

- In 2023, natural gas consumption decreased significantly. This reduction was primarily due to the phasedown and subsequent surrender of the Windrush Innovation Centre (WIC) building lease.

Diesel Consumption Emissions:

- Diesel consumption emissions increased considerably. However, this change is a result of a more accurate calculation of backup generator consumption. The formula now considers the run time of generators. Unfortunately, the run time data from previous years was unavailable for restatement.

Refrigerant Emissions:

- Refrigerant emissions are reported as zero because no leaks were detected in 2023.

Electricity Emissions and Consumption:

- Electricity emissions underwent continued deep reduction. This positive trend is attributed to the Group's investment in renewable energy tariffs across UK sites.
- However, electricity consumption increased in the US, leading to a slight rise in the Group's offshore emissions. The site in the US is served by a fossil fuel-derived tariff.

Scope 3 Emissions:

- Scope 3 emissions slightly decreased in 2023. This reduction aligns with the overall decrease in full-time employees (FTEs), resulting in reduced business travel and employee commuting emissions.

The Group uses revenue as a normaliser and this figure is lower than the previous year, hence the increased intensity figure shown.

During the reporting period, the Group has taken the following actions to reduce its greenhouse gas emissions:

- A significant impact was due to the phasing down in utilisation of the WIC building and subsequent reliance on air conditioning units and the associated energy and refrigeration.
- The Group has also focused on best practice within cold storage, joining the International Freezer Challenge for the second consecutive year. This led to a collection of ultra-low temp freezers (-80 degrees), for example, having their set point temperature increased to -75 degrees.
- The Group reduced the water flushes performed when storing liquid waste into the bulk tank. This has drastically reduced volumes being sent for waste treatment.

TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

OXB supports the TCFD framework and is committed to refine its governance and risk management methodology in order to ensure that the climate risks associated with the Group can be fully integrated into business planning. This commitment extends beyond the OXB's operational sites to also include five key suppliers. The following TCFD sections set out the required disclosures and describes the Group's approach. OXB is pleased to confirm that the disclosures in the Annual Report and accounts are consistent with the TCFD recommendations except for the inclusion of all calculated scope 3 emissions as GHG metrics and relevant intensity metrics for energy use, water use, and waste generation (Recommendations b and c of Metrics and Targets of TCFD Recommendations). The data for these emissions and environmental performance has been collected, however, work on calculation and SBTI targeting is currently ongoing and will be available in the 2024 Annual Report and accounts. Throughout the report, the all sector guidance of the TCFD annex has been used to inform the Group's approach.

GOVERNANCE

Good governance practice continues to be a priority for the Group, as it maintains robust climate-risk and opportunity management to deliver value for stakeholders. As previously described, the Board has the responsibility of overseeing climate-related risks and opportunities, ensuring that appropriate management processes are integrated into future financial planning, business strategy, and operations. The Board is accountable for approving carbon reduction targets and ultimately the journey to net zero. In order to fulfil its oversight obligation and ensure that appropriate attention is dedicated to sustainability, including climate change, the Board has established an ESG Committee to formalise its approach to sustainability and strengthen its governance processes. Until September 2023, the ESG Committee was chaired by the Group's Chief Operating Officer, Nick Page, who provided the link between the Board members with climate- related responsibilities (Table 1) and the Environmental Pillar team in the ESG Committee (Table 2). From September 2023, following Mr. Page's decision to step down from the Group, Dr. Frank Mathias, the Group's CEO, has assumed the role of Chair of the ESG Committee.

Table 1: Overview of OXB Board of Directors with climate- related responsibilities during 2023

Board Member	Responsibilities
Dr. Frank Mathias **CEO (Chair of ESG Committee since October 2023)**	• Responsible for the day-to-day running of the business and implementation of the Group's strategy. • Oversees the development of the Group's decarbonisation strategy and the assessment of climate-related risks and opportunities.
Namrata P Patel **Independent Non-Executive Director**	• Responsible for providing strategic insight and practical solutions to shape and achieve objectives with regards to the Group's sustainability strategy.

Table 2: Overview of OXB ESG Committee members with climate-related responsibilities during 2023

ESG Committee Member	Responsibilities
Nick Page - Chair **COO (UK)** Mr. Page was appointed ESG Committee Chair in 2022 following John Dawson's departure from the Company as CEO and Chair of the ESG Committee. Mr. Page left the business in October 2023 and Dr. Frank Mathias replaced Mr. Page as Chair.	• Responsible for maintaining coordination between the Board and ESG Committee on climate strategy. • Responsible for enabling effective work flows within operational teams to enable action aligned with the agreed climate strategy.
Sophia Bolhassan **Corporate Affairs and Investor Relations (UK)**	• Provides stakeholder input by communicating with shareholders, investigating materiality and guiding climate strategy. An explanation of engagement strategy can be found in the materiality section. • Oversees ESG section of the Annual report and accounts. • Collaborates with ratings agencies.

Shane Johnston **Head of Responsible Business and Health and Safety (UK)**	• Shapes and ensures the implementation of the agreed climate strategy. • Ensures that monitoring is ongoing for all identified climate-related metrics and targets.
Richard Crossman **Head of Engineering and Facilities (UK)** Mr. Crossman left the business in November 2023. Following the restructure of the Group, Melanie Bull attends meetings in her new role as Head of Engineering and Facilities (UK), replacing Mr. Crossman.	• Ensures climate strategy is being implemented and provides SME knowledge from the estates teams in the UK. • Ensures monitoring is ongoing for all identified climate-related metrics and targets.
Jonathon Baker **Head of Supply Chain (UK)**	• Ensures monitoring is ongoing for all identified climate-related metrics and targets. • Reports using selected supply chain and procurement metrics. • Ensures climate strategy is being implemented and provides SME knowledge from supply chain
Mellanie Bull **Head of Manufacturing (UK)** Ms Bull attended meetings as Head of Manufacturing (UK) until the restructure of the Group. Following the restructure of the Group, Ms Bull attends meetings in her new role as Head of Engineering and Facilities (UK) and Aude Cazenave will attend in her new role as Head of Manufacturing.	• Ensures climate strategy is being implemented and provides SME knowledge from manufacturing.
Randall Warin **Head of Procurement (UK)**	• Develops focus on sustainable procurement. • Ensures climate strategy is being implemented and provides SME knowledge from procurement. • Reports using selected supply chain and procurement metrics.
Krishan Pandit **Deputy Company Secretary (UK)** Mr. Pandit left the business in November 2023. Puja Chopra has replaced Mr. Pandit as Deputy Company Secretary and will attend meetings in his place.	• Responsible for ensuring compliance with all regulatory reporting requirements in regards to the annual report.
Jordan Dolbear **Safety, Health and Environment Advisor and Environmental Pillar Lead**	• Advises on climate strategy and ensures agreed strategy is implemented. • Leads overall monitoring for all identified metrics and targets. • Collates all climate-related risk information for Group risk registers.
Mark Caswell **Site Head (US)** Mark became a member as US site representation in late 2023.	• Ensures climate strategy is being implemented and provides SME knowledge from the Bedford, US site. • Ensures monitoring is ongoing for all identified climate-related metrics and targets.

The ESG Committee brings together a wealth of experience and knowledge from departments that hold strategic and operational responsibilities that are integral to climate-related performance. Key considerations from Stakeholders and the Board are championed by the Chair and Investor Relations roles, and operational teams provide information on opportunities and create workflows to action agreed changes.

The specific duties of the ESG Committee are to:
- Solicit and comprehend the views of stakeholder groups on ESG and climate-related matters to inform the Group's long-term strategic decisions.
- Identify the ESG and climate-related priorities that most significantly impact the Group, its stakeholders, and its reputation.
- Assist in defining and executing the Group's strategy and agree on the annual plan and targets relating to climate-related matters.
- Indicate additional demand for resources, e.g. capital or personnel, to leadership in order to action targets.

- Review the Group's performance against its annual plan and ESG targets, initiatives, and commitments, including its journey to net zero Scope 1, 2 and 3 greenhouse gas emissions.
- Guide the Group's ESG communication strategy, including the Annual report and accounts.

In 2023, the ESG Committee met on 3 occasions (January, April and July). The fourth quarter meeting was rescheduled to 2024 due to the organisational restructuring. Figure 1 illustrates the agenda items raised at the ESG Committee meetings and full governance structure with regards to climate-related risks and opportunities.

Figure 1: ESG Committee Climate-based agenda items 2023

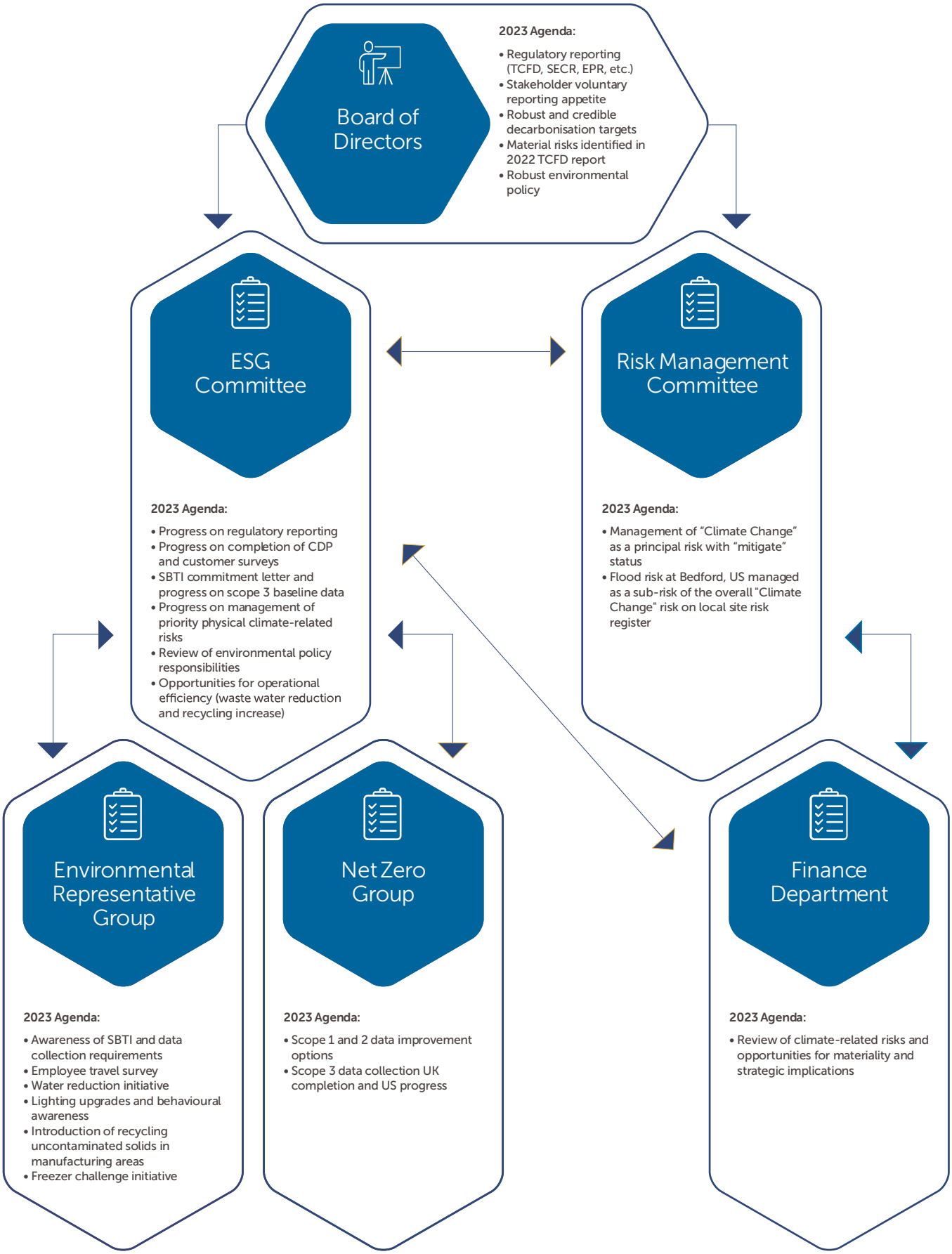


Figure 1: ESG Committee Climate-based agenda items 2023

The Risk Management Committee (RMC) is integral to the Group's management of climate-based risks and is informed of risk by scenario modelling undertaken as part of TCFD work through the ESG Committee. The RMC assesses the identified risks for materiality using defined financial risk criteria. The decision about the management of the risk (accept, mitigate, retain) is agreed with the Board of Directors at regular Board Meetings, along with monitoring of progress for agreed action on existing risks. Agreed actions are reviewed by the Board and progress on these actions is reported to the RMC.

There are local risk management committees across all geographies, however, Climate Change is listed as a Principal risk across the entire business. In 2023, the Bedford, US site flood risk was recognised as a sub-risk of the overall Climate Change risk and listed as a critical risk with a "mitigate" status in the Bedford, US specific risk register. The Group recognises that Climate Change carries a multitude of physical and transitional risks, whilst physical risks can be modelled and simply associated with a location, there is a level of uncertainty in the scale and impact of transitional risks. The overall "Climate Change" risk includes risks, such as for enhancement of regional reporting and decarbonisation, which are continuously monitored. The Finance Department plays a crucial role in informing the level of materiality in terms of financial risk for those items listed on the risk register. Finance SMEs use the risk register to develop strategies to manage risks. One of the main actions in terms of climate-related risk in 2023 was to integrate financial analysis for risks identified. This has now been completed and inclusion of the Bedford, US site flood risk as a separate input on the local risk register was the direct result of this integration.

The ESG Committee is informed by and reports to the Environmental Representative group and the Net Zero group.

The Environmental Representative group is formed of 32 UK based employees situated in positions across a range of functions within the Group. In 2023, this group of representatives met with the Environment Pillar lead on 8 occasions, to be kept abreast of environmental developments and to drive more sustainable efficiencies within the business. In 2023, initiatives mainly targeted employee travel, water consumption, waste management, lighting upgrades, and cold storage. These employees received educational awareness in regard to the TCFD process, CDP and SBTI and have been tasked with sharing their knowledge within their departments to raise the profile of the ESG strategy to improve collaboration.

The Net Zero group was created in 2023 and has met twice to progress scope 3 baseline data collection. This group is led by the Environmental Pillar Lead and consists of Heads of Department and managerial roles within Engineering, Facilities, Finance, Supply Chain and Procurement. A scope 3 baseline must be submitted to SBTI for verification. UK data collection was completed in November 2023 and US data collection was completed in December 2023. Data collection for French sites will be undertaken in 2024. The Net Zero group will continue to be used as the primary hub for data collection and monitoring GHG performance. Once SBTI targets are agreed, this group will also be responsible for planning reduction actions to meet the ambition of the targets.

STRATEGY

The Group completed modelling for climate-based risks and opportunity at both a corporate level and critical geographical locations. The locations chosen were those determined to be most material to the Group. These were the UK and US operational sites and 5 critical suppliers. Critical suppliers were determined by the dependency of the business in terms of both the total value of goods and services, and deficiencies in back up suppliers for the same type of goods and services. Further details on the method and rationale behind the modelling can be found in the Risk Management section of this report on page 67.

To understand the risk and opportunity summary table (Table 6), the time horizons and climate scenarios utilised in the modelling have been defined below. The Group utilised 3 time horizons, as seen in Table 3 below.

Table 3: Time Horizons

Short-term	Medium-term	Long-term
Up to 2030 (in 5 year increments)	2031-2050 (in 5 year increments)	2051-2100 (in 5 year increments)

The short-term time frame is the most useful to the Group in terms of strategic planning. It is the time horizon in which transitional risks from policy change, client and investor demand and requirement for technological adaption will be the most transparent. The Group is aware of deadlines within these transitional spaces, whereas longer-term time frames are more unclear due to the shorter-term developments within the transitional risk factors. One of the few known transitional requirements is the net zero decarbonisation goal by 2050, and the short-term period covers the near-term milestones to reaching this target.

During modelling it was clear that physical climate-based risks develop over a much longer period. Short-term physical risk modelling determines the risks that could be a material issue now. Medium-term climate modelling is utilised for oversight on the issues that may not be a material risk now but may become material in the future. Some of the mitigation to these risks may require medium term planning due to the requirement of large upfront investment in operational site adaptation or the sourcing of alternative raw materials to counter risk at supplier sites or on transportation routes.

The long-term time horizon is of limited use for strategic response and the modelling has relatively low confidence due to the span of years being forecast. For this reason, the Group chose to focus efforts on the short and medium terms risks and opportunities.

The Climate scenarios utilised within the time horizons are described in Table 4 below.

Table 4: Climate Scenarios

	Set 1	Set 2
Optimistic	NGFS Net Zero 2050 median	SSP2 RCP 4.5 (optimistic)
Middle of the road "Current Policies"	NGFS Current Policies median	SSP2 RCP 8.5 (Business as Usual)
Pessimistic	RCP 8.5 median	SSP3 RCP 8.5 (Pessimistic)

The climate scenarios were chosen to align with international best practice. Where possible, global scenarios were selected to allow comparability of the risks that arose across all sites. The Group elected to prioritise Set 1 data because NGFS climate scenarios are the only resource that are commonly used to also include the impact of policy change. However, Set 2 scenarios has been included because for some physical risk modelling the Set 1 data was not available.

Table 6 describes the risks and opportunities identified, the perceived financial materiality, management and resilience of the Group. The climate scenarios will be split between the optimistic (1.5℃), the middle of the road (2℃) and pessimistic (>2℃). The temperature increase given to the scenarios are those that they model in the year 2050.

Table 6: Climate- Based Risks and Opportunities

TCFD Category	Climate related trend	Potential financial impact	Climate scenario	Potential materiality 2030 (Short Term)	Potential materiality 2050 (Medium Term)	Potential materiality 2100 (Long Term)	Strategic response and resilience
Physical Risk (Acute): Increased severity of extreme weather events.	Annual Expected Damages and 1-in-100-year Damage expected to rise significantly in middle-of-the-road "current polices" and pessimistic climate scenario models for the Netherlands and the UK.	– Reduced revenue from decreased production capacity (e.g. transport difficulties, supply chain interruptions). – Write-offs and early retirement of existing assets (e.g. damage to property and assets in "high-risk" locations).	1.5℃ 2℃ >2℃	↘ ↘ ↘	↘ → →	↘ → →	The Group periodically assesses building integrity and has local Business Continuity Plans to protect against extreme weather disruption e.g. backup generators, prioritisation of consumable store volumes and client work alternative locations and/or prioritisation.
Physical Risk (Acute): Increased risk of flooding	Notable flood risk identified in Bedford, US. Analysis for this location indicates the risk of a major flood is at least 26% in 30 years before accounting for climate change. All climate scenarios project that this property has about a 51% chance of a significant pluvial or fluvial flood over 4 feet deep before 2050. Annual Expected Damages in the UK are expected to rise steeply in the worst-case climate scenario. Optimistic and middle of the road scenarios are expected to see a much less severe increase by comparison.	– Increased capital costs (e.g. damage to facilities) – Reduced revenues from lower sales/output. – Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations.	All climate scenarios	→	↗	↗	The Group is aware that this is a significant medium-term risk to operational performance and the vulnerability of assets to damage. This risk is being managed at site level. The landlords of the Bedford, US site have recently fitted a flood defence system in place to adapt to this risk. Local Business Continuity Plans are expected to be developed in 2024 to manage client projects strategically around this risk. There is already the capacity to utilise other OXB sites for scheduled work across the different geographies. The post period-end period acquisition of ABL Europe (renamed Oxford Biomedica (France)) enhances site choice for this purpose.

TCFD Category	Climate related trend	Potential financial impact	Climate scenario	Potential materiality 2030 (Short Term)	2050 (Medium Term)	2100 (Long Term)	Strategic response and resilience
Physical Risk (Chronic): Rising mean temperature	Increased risk of heat stress and decline of labour productivity of the middle of the road and pessimistic scenarios.	– Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism). – Increased operating costs.	All climate scenarios				The Group recognises that increased heat could impact operational performance at sites and suppliers. However, the risk of operational loss remains low due to the ability for the business and critical suppliers assessed to control the temperature within the working environment. The relatively low material financial risk originates from the expected increase in operational costs as a result of increased energy demand.
Physical Risk (Chronic): Water stress	Increased risk of water stress identified at 2 critical supplier sites in the Netherlands over the middle of the road and pessimistic scenarios. High water stress area identified at the Group's Irish office over all climate scenarios.	– Increased operating costs (e.g. inadequate water supply)	All climate scenarios				The Group engaged with suppliers situated in the Netherlands during 2023 and assessed that there is little financial risk to the supply of raw materials due to water stress. These suppliers do not provide water-based products from the region modelled. The Group has identified that the risk of water stress in Ireland does not pose an operational risk because operations in this region are limited to office-based work.

TCFD Category	Climate related trend	Potential financial impact	Climate scenario	Potential materiality 2030 (Short Term)	2050 (Medium Term)	2100 (Long Term)	Strategic response and resilience
Transitional Risk: Reputation	Increased investor and client concern expected across all time frames because of interest in green assets and scope 3 decarbonisation.	– Less investment from shareholders. – Reduced attraction to clients. – Increased upfront cost to enable capital projects for decarbonisation or carbon removal.	All climate scenarios				The Group is aware that there are some green taxonomy focused shareholders that hold a significant share of the business. The Group is committed to providing the best value to all shareholders, whilst being an attractive addition for sustainability credentials. The Group tracks shareholder requirements through materiality assessment and direct requests. The Group is already experiencing requests from clients for robust decarbonisation targets and data associated with products. This is one of the reasons that SBTI commitment has been made in 2023. CDP reporting is also being utilised to ensure alignment with best practice in terms of risk and GHG management. The Group is aware that over the medium term it is likely that capital project spend will increase to meet net zero goals. There is currently no projection of the spend for these projects. However, it is estimated that if the Group had to rely on carbon removals it would cost >£400,000 (UK emissions only), using current UK carbon pricing of £40/tCO2e. This cost is expected to increase rapidly as the carbon price increases.
Transitional Risk: Policy and Legal	Enhanced emissions reporting obligations. The upcoming UK SDS and CSRD are 2 rigorous sustainability reporting frameworks that will impact the Group over the short-term. It is expected that regulatory reporting will continue to grow over the medium and long term. No specific requirements are yet known apart from ongoing carbon accounting improvements.	– Increased operating costs (e.g., higher compliance costs).	All climate scenarios				The Group is aware that the increase in workload brought by enhanced reporting will increase cost through direct employment and consultancy. However, the financial impact is still expected to remain in the low impact threshold.

TCFD Category	Climate related trend	Potential financial impact	Climate scenario	Potential materiality 2030 (Short Term)	2050 (Medium Term)	2100 (Long Term)	Strategic response and resilience
Opportunity: Products and Services	There is potential for the Group to gain client interest from positive sustainability performance e.g. as a low carbon CDMO.	– Increased revenue through demand for lower emissions products and services. – Better competitive position to reflect shifting consumer preferences, resulting in increased revenues.	All Climate scenarios				The Group is positioned as a pure-play CDMO and may have the ability to attract client interest through sustainability performance. Risk management and a decarbonisation plan are underway.
Opportunity: Resource and energy efficiency	The Group is focused on reducing the demand for raw materials, energy and generation of waste as part of the decarbonisation plan.	– Reduced operating costs (e.g., through efficiency gains and cost reductions)	All climate scenarios				The Group expects to decrease operational cost through investment made in resource and energy efficiency initiatives. All initiatives are expected to have a positive payback period.

In terms of the overall resilience against physical climate-based risk, the Group is fortunate to be situated and have suppliers in, for the most part, geographically advantageous locations. The only physical critical risk identified is the flooding at the Bedford, US site. However, there is currently a floodwater pump system in place and the Group are reviewing this control and developing business continuity plans to ensure this risk can be managed.

Transitional risk resilience relies on the Group having a robust decarbonisation strategy and being prepared for new regulation and reporting in the ESG space. The financial impact of transitional changes are largely unknown, However the Group prefer to take a cautious approach and ensure that the net zero goal is classified as a high risk. The Group's decarbonisation strategy is progressing rapidly, once targets are verified and a transition plan is in place, the resilience of the Group will increase.

RISK MANAGEMENT

As mentioned, the Group has a robust and comprehensive risk management strategy that guides the identification, classification, and monitoring of business risks. The Group established a climate-based risk identification strategy, with the support of an external ESG consultancy and tables A1.1 and A1.2 of the all sector TCFD annex. This strategy enables the Group to identify and assess climate-related risks and opportunities, which have now been integrated into the Group's wider business risk management processes. The Group is committed to ensuring that its business operations are sustainable and resilient in the face of climate change, and the Group's climate-based risk identification strategy is a testament to this commitment.

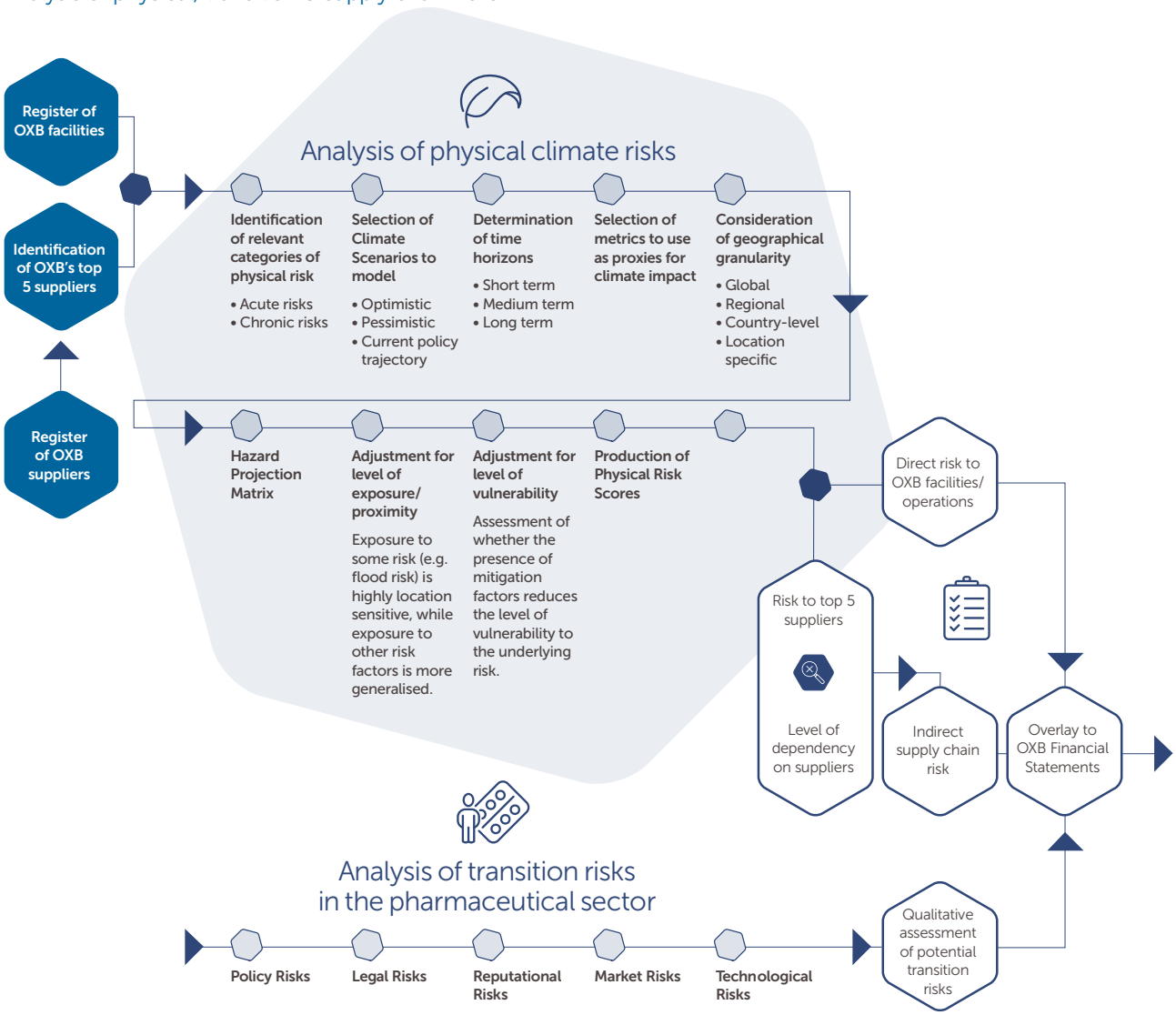
The Group conducted an internal stakeholder engagement process, by holding meetings with relevant departments, to identify climate-related risks that could impact the business. Stakeholders across key business functions, including finance, facilities, risk management, IT, and supply chain management were engaged. In total, 6 climate-related risks and 2 opportunities were identified as material.

During 2023, the Group assessed the financial materiality of the identified risks, alongside the strategic response and Group resilience, the results of which can be found in Table 6. Financial materiality is rated low, medium and high. These ratings have used the Group's internal risk management impact criteria: low reflects the " minor" impact from the risk criteria, 1-2% revenue. Medium reflects the "moderate" impact from the risk criteria, 3-5% revenue. High reflects both the Major and Critical risks from the risk register, 6-10% and >10%.

Figure 2 describes the methodology of the climate-related risk strategy.

Assessment Methodology

Analysis of physical, transition & supply chain risks



The evaluation of climate risk scenarios under TCFD seeks to integrate both physical and transition factors

Physical Factors

The assessment of physical risks considers first-order effects that directly impact the business (its assets and operations) and also second-order effects transmitted to the business indirectly through its supply chain.

For the purposes of this report the analysis has been limited to the top 5 suppliers (selected on the basis of size in market, delivery frequency, and replaceability). The transmission of climate risk via the supply chain must also consider the level of dependency on each supplier which may lessen or reinforce the potential impact.

Transition Factors

Transition risks are typically less business or asset-specific and may be generalised across the relevant sector – in this case the pharmaceutical sector.

Figure 2: Climate-based risk and opportunity assessment methodology

Once the Group had selected sites for assessment, climate-related risk modelling was undertaken utilising the below metrics shown in Table 7.

Table 7: Climate-based risk and opportunity metrics

Risk factor	Metric used as proxy	Explanation of why these particular metrics have been used
Extreme Weather **(Physical – acute)**	**1-in-100-Year Expected Damage from Tropical Cyclones** **Annual Expected Damage from Tropical Cyclones**	In most cases, the following proxy metrics have been used for assessing the risk of extreme weather: • 1-in-100-Year Expected Damage from Tropical Cyclones • Annual Expected Damage from Tropical Cyclones While there are other metrics that are relevant to extreme weather, these have been deemed the most useful as they provide the best aggregation of overall/combined risk levels from this particular climate factor.
Flood Risk **(Physical – acute)**	**Annual Expected Damage from River Floods** **Distance from projected flood plains**	In most cases, the following proxy metrics have been used for assessing regional flood risk: • Annual Expect Damage from River Floods • Distance from projected flood plains While there are other metrics that are relevant to regional flood risk, these have been deemed the most useful as they provide the best aggregation of overall/combined risk levels from this particular climate factor. Where possible location specific data for flood risk has been sourced to provide a more granular assessment that reflects likely conditions on the ground at each site.
Heat Stress **(Physical – chronic)**	**Daily Maximum Air Temperature** **Daily Minimum Air Temperature** **Mean Air Temperature**	In most cases, the following proxy metrics have been used for assessing heat stress: • Daily Maximum Air Temperature • Daily Minimum Air Temperature • Mean Air Temperature While there are other metrics that are relevant to heat stress, these have been deemed the most useful as they provide the best aggregation of overall/combined risk levels from this particular climate factor.
Humidity **(Physical – chronic)**	**Relative Humidity** **Specific Humidity**	The risk from humidity can be presented through more direct metrics without the need for proxies.
Water Resource **(Physical – chronic)**	**Water Stress** **Water Supply** **Water Demand**	Where available, the following proxy metrics have been used for the assessment of risks that relate to the availability of water: • Water Stress • Water Supply • Water Demand While there are other metrics that are relevant to the availability of water as a resource, these have been deemed the most useful as they provide the best aggregation of overall/combined risk levels from this particular climate factor.
Transitional Risks **(Transitional – chronic)** **Transitional Opportunities**	**Policy and Legal** **Technology** **Reputation of Pharma Sector as a whole** **Market** **Resource Efficiency** **Energy Source** **Products and service**	The assessment of transitional risks and opportunity factors is inherently more speculative than is the case for physical risk. Judgement plays a more significant role not due to lack of relevant proxies, but rather because the super-abundance of potentially relevant data makes it prohibitively difficult to isolate 2 or 3 key metrics as representative. Sector specific research and economic commentary has been relied upon to assign various transitional risks as low, medium or high respectively.

The climate scenarios and time-horizons described in the strategy section of this TCFD report were utilised along with the above metrics using common global climatic data sources and models, shown in Table 8.

Data Sources and Models
ISMIP (Inter-Sectorial Impact Model Intercomparison Project) based on more than 100 models
CLIMADA (an open-source catastrophe risk modelling framework)
CMIP5 GCM data
For US flood and precipitation risk: FEMA analysis, NOAA Inundation maps and LOCA statistically downscaled CMIP5 projections
World Resource Institute Aquaduct Global Maps 3.0
HydroBASINS database
The Pfafstetter System

The method described provides oversight on the current and future level of physical risk for all physical climate- based metrics. Transitional risk identification was completed by expert input from external consultants and the Group's own internal research. In 2023, the Group received a horizon report for upcoming change in regulatory reporting to further understand the impact of this risk. Further training on reporting requirements is planned by the ESG Committee in 2024.

Not all the metrics used in physical climate-based modelling returned a material risk. The modelling returned a low risk for humidity overall and certain metrics only suggested enhanced risk in certain geographies, for example, Bedford, US site flood risk.

As part of the Group's strategy, agreement was gained at the ESG Committee in 2023 to repeat physical-climate risk modelling across all locations every 5 years to reflect the fact that changes in physical risk is a longer-term issue. However, high material risks in the current time, i.e. Bedford, US flood risk, shall be reviewed more frequently by the RMC to ensure that current controls are adequate for the risk.

Transitional risks will require an annual assessment starting in 2024 because changes in this space are faster. This will be achieved through continued engagement with external consultants and reviews of stakeholder demands through materiality assessment.

As detailed in the Governance section of this TCFD report, the ESG committee is responsible for enacting risk and opportunity identification methods and monitoring overall management of material risks. The RMC is notified of developments in the identification of risks and works with the Finance department to decide on overall materiality. The Board of Directors meets with representatives from the ESG Committee and RMC to decide on the most appropriate level of action for each risk.

METRICS AND TARGETS

The Group has chosen a reasonable selection of metrics to facilitate its assessment of climate-related risks and opportunities in line with Group strategy and risk management processes. The all sector guidance of the TCFD annex was utilised, particularly Table A2.1, to assess the materiality of the metrics chosen. Further details regarding these metrics, together with the reasons for their selection, are disclosed in Table 7.

The Group has made considerable progress on calculating the entire value change of Greenhouse Gas (GHG) emissions and implementation of a recognised, robust decarbonisation plan. In 2023, the Group committed to the SBTI to ensure alignment with internationally recognised GHG reduction requirements. This decision was taken by the Board of Directors in coordination with the ESG Committee and with investors and clients in mind. The scope 1, 2 and selected scope 3 emission figures for 2023 can be seen in the SECR report. Whilst this is all that can be demonstrated at this time, scope 3 emission data has been collected for Bedford, US and Oxford, UK sites. The new target for 2024 is to calculate the entire GHG value chain, which means the inclusion of the newly acquired Oxford Biomedica (France) sites, for our baseline year of 2021. Newly agreed decarbonisation targets will then be sent for SBTI validation. Whilst this will not slow action planned for emission reduction in 2024, such as standardised office heating and cooling, it will mean that the decarbonisation targets will be adapted. Although the Group cannot disclose these new targets in this report, the scope of the value chain emissions for inclusion is described below in Table 9. All emissions that are material to the business will be included in calculations.

Table 9: GHG Inventory scope

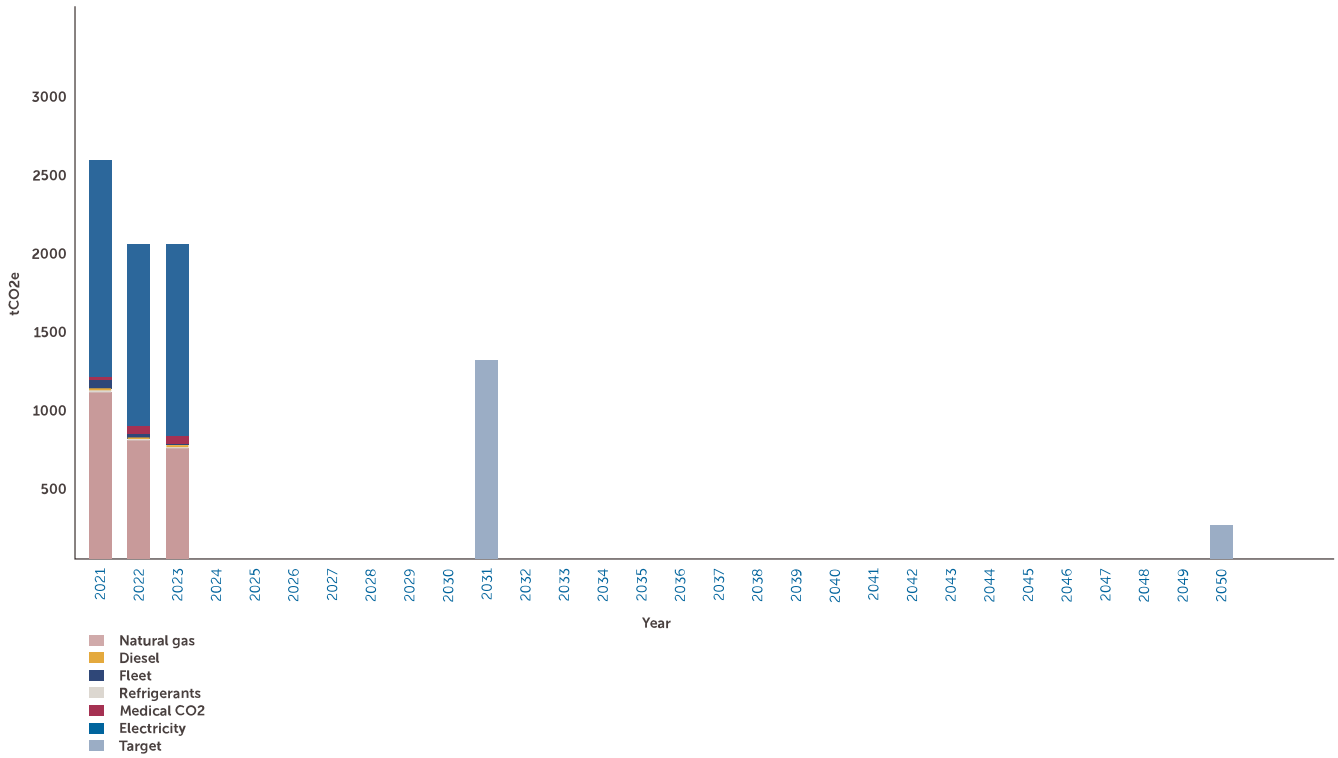
Scope 1		
All sources from SECR apply. The GHG Protocol operational control scoping method has been adopted.		
Scope 2		
All sources from SECR apply. The GHG Protocol operational control scoping method has been adopted.		
Scope 3		
Emission Category	**Included/Not Included**	**Rationale if not included**
Category 1- Purchased Goods and Services	Included	
Category 2- Capital Goods	Included	
Category 3- Fuel and energy-related activities	Included	
Category 4- Upstream transport and distribution	Included	
Category 5- Waste Generated in Operations	Included	
Category 6- Business Travel	Included	
Category 7- Employee Commuting	Included	

Scope 1		
Category 8- Upstream Leased Assets	Not Included	The Group has operational control of all assets being leased. The emissions from these assets are accounted for in scopes 1 and 2.
Category 9- Downstream Transport and distribution	Included	
Category 10- Processing of Sold Products	Not Included	OXB products undergo complex processing with a number of third-party consumables at client sites. These emissions are not practically possible to determine.
Category 11- Use of Sold Products	Not Included	There are no use phase emissions to be determined.
Category 12- End of Life Treatment of sold products	Included (waste packaging only)	
Category 13- Downstream Leased assets	Included	
Category 14- Franchises	Not Included	The Group does not have a franchise business model.
Category 15- Investments	Not Included	The Group does not have an investment portfolio.

The planned SBTI targets will be near-term (maximum of 10 years) to enable a focused effort on the development of transition planning and actions in following years. In 2023, the Group decided to extend the net zero target from 2040 to 2050 due to the Group being reliant on future technological advancements and market conditions to be able to achieve this target without creating unnecessary financial risk from unproven technology and carbon storage methods. Whilst the Group will be net zero in 2050 aligned from 2024, if technology and market conditions become favourable, the Group is open to bringing this long-term date forward in the future.

Scope 1 and 2 emission performance remains the key area for large scale reduction to meet the Group's decarbonisation targets. Figure 3 demonstrates Group's performance to date with the existing near-term targets (to be altered) and the net zero 2050 target. The Group defines net zero as reducing Scope 1, 2 and 3 emissions by 90-95% against the established baseline (2021), as well as, engaging in carbon removal initiatives to manage residual emissions.

Figure 3: Scope 1 and 2 emissions performance with projected near and long-term targets



Existing near-term targets (to be reviewed once SBTI targets are proposed):

- 10% reduction in Scope 1 and Scope 2 GHG emissions by the beginning of 2027 from 2021 baseline;(Ongoing, baseline requires review);
- 10% of electric energy to be fully renewable (non-carbon based) by 2027 (met through renewable energy tariffs); and
- Switch to 100% fully electric vehicles used by the Group on site by the end of 2027 (Ongoing).

There are plans, post period-end, for the Group to investigate expected capital cost of emission reduction actions. This will allow the integration of these costs into future financial planning.

Non-Financial and Sustainability Information Statement (NFSIS)

The Group aims to comply with the Non-Financial Reporting requirements contained in section 414CA and 414CB of the Companies Act 2006. The table below, and information it refers to, is intended to help stakeholders understand the Group's position on key non-financial and sustainability matters.

414CB Disclosure Requirement	Location of disclosure within this annual report
(A1) Climate- related financial disclosures	• TCFD report Page 49-65
(1) (a) Environmental matters	• Environment Section Page 49
(1) (b) The company's employees	• People Page 45
(1) (c) Social matters	• Community Page 48
(1) (d) Respect for human rights	• Governance, Integrity and Ethics Page 65
(1) (e) Anti-corruption and anti-bribery matters	• Governance, Integrity and Ethics Page 65
(2) (a) Description of business model	• Business Model Page 12
(2) (b) + (c) policies relating to (1) (a)-(e) and their outcomes	• To be found in the relevant sections referenced against (1) (a)-(e)
(2) (d) principle risks of matters considered in (1) (a)-(e)	• Principal Risks Page 67
(2) (e) non-financial key performance indicators	• Non-Financial key performance indicators Page 31

Governance, Integrity and Ethics

Oxford Biomedica is committed to the highest standards of ethical conduct and integrity in its business activities in the UK, the US and overseas.

Corporate Governance

Good corporate governance, including compliance with the Corporate Governance Code and the Listing Rules, continues to be an important area of focus for the Group. The Board believes that good corporate governance is ultimately the responsibility of the Board and its Committees and is essential for the long-term success of the business. During 2023, the Company was largely in compliance with the Corporate Governance Code and the Listing Rules but acknowledges that it did not fully comply. Further details of the Company's compliance with the Corporate Governance Code and the Listing Rules can be found in the Corporate Governance Report section of this Annual report and accounts on pages 76-81.

Oxford Biomedica is aware of the upcoming changes to the Corporate Governance Code and the proposed changes to the Listing Rules, which become effective in 2025 (including Provision 29 which becomes effective in 2026). During 2023, the Company continued to prepare for the expected changes, ahead of the expected reforms. Preparation for the upcoming changes included, amongst other things, a review of Board composition and a review of the internal controls environment within the Finance department. Much of these changes are now complete although the Group will continue to monitor the proposed reforms to prepare for compliance with the new rules and regulations in 2025.

Anti-bribery

Oxford Biomedica's policy on preventing and prohibiting bribery is in full accordance with the UK Bribery Act 2010 as well as other relevant overseas legislation and all employees receive training in this matter. Oxford Biomedica does not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery.

Following an anti-bribery and anti-corruption review that was undertaken by an independent external consultant in 2021, the policies and procedures were reviewed and revisions were made to existing policies and procedures to enhance oversight and risk management. During 2023, these policies and procedures were reviewed against the onboarding due diligence process for all third parties and training was arranged for employees through an online learning portal. All employees are required to repeat general anti-bribery training annually.

OXB (US) LLC is committed to complying with the US Foreign Corrupt Practices Act and other applicable anti-corruption laws and has an employee-facing policy to maintain compliance with such laws.

Following the acquisition of ABL Europe (recently renamed Oxford Biomedica (France) SAS), and post period-end, the anti-bribery and corruption policies and processes are being reviewed with a view to aligning across OXB's sites to strengthen and enhance the onboarding due diligence processes with regards to all third parties.

Whistleblowing

Oxford Biomedica's compliance activities include the prevention and detection of misconduct through policy implementation, training and monitoring. As part of this effort, employees are encouraged to report suspected cases of misconduct in confidence and without fear of retaliation. Concerns and allegations are thoroughly investigated with disciplinary action taken where necessary, up to and including dismissal and reporting to relevant authorities.

An anonymous confidential reporting channel is provided for both UK and US-based employees, and there are procedures in place to protect whistleblowers. A similar reporting channel will be rolled out to employees in Oxford Biomedica (France) in 2024.

Clinical Trials

Oxford Biomedica instils transparency, safety and ethics in all aspects of its business, including the design and conduct of its clinical trials with patient safety as a paramount concern. The protocols are agreed with the relevant national regulatory authorities, as well as local ethics committees and institutional review boards at clinical trial sites, before any patients are treated. Oxford Biomedica has standard operating procedures in place under a controlled Quality Management System to ensure compliance with appropriate legislation for Good Clinical Practice as well as the internationally accepted guidelines for the conduct of ethical clinical trials, specifically ICH-GCP and the Declaration of Helsinki.

Quality Assurance audits are undertaken to give independent assurance that the practices and procedures undertaken for Oxford Biomedica's clinical trials are in accordance with the relevant legislation and guidelines thereby providing assurance that the data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of trial patients are protected.

Oxford Biomedica's standard operating procedures and the legislative framework covers the risk assessment procedures of the trials. These assessments include consideration of any specific risks to the patient population proposed for the clinical trials especially if any trial were to include vulnerable patients.

Oxford Biomedica is committed to transparency, and information on ongoing clinical trials is provided on the website. Relevant trials in the EU and EEA are automatically posted on the EU Clinical Trials Register (www.clinicaltrialsregister.eu) and Oxford Biomedica discloses its trials on a US government-sponsored website (www. clinicaltrials.gov).

In line with its strategy to become a pure-play CDMO, Oxford Biomedica discontinued work on internal product development in the second half of 2023. As a pure-play CDMO the Group will not be running clinical trials.

Human rights and anti-slavery

Oxford Biomedica fully respects human rights and conducts its business in accordance with the letter and spirit of UK Human Rights legislation and the UK Modern Slavery Act 2015. The Board of Directors has approved a Modern Slavery Statement 2023 in compliance with section 54 of the UK Modern Slavery Act, which can be downloaded from the Group's website www. oxb.com. Many of Oxford Biomedica's facilities are located in the UK, where its policies accord with human rights regulations and its supply chain operates in territories with strong commitments to human rights safeguarding. OXB (US) LLC is based in the US and is committed to ensuring its business practices are conducted in compliance with all applicable federal and state legislation in relation to the preservation of human rights and prevention of human trafficking. Post period-end, the Group plans to roll out the Group Supplier Code of Conduct to all major suppliers in the US and France over the course of 2024 and continue to develop tools and processes to educate its people on how to engage with new and existing suppliers on this topic.

Animal Testing

It is a regulatory requirement that all new therapeutic products must be appropriately tested for safety before they are administered to patients, and there is currently no alternative to using animal models as part of this process.

Oxford Biomedica is committed to following the principles of the three "R's" in safety testing: replacement, refinement, and reduction of animal testing. These principles ensure that animal testing is only employed when necessary and where there are no alternatives.

In addition , Oxford Biomedica only works with Contract Research Organisations (CROs) that are accredited to international ethical bodies. Each institution has an internal ethical review of the pre-clinical work to be conducted (Institutional Animal Care and Usage Committee), and the CROs have international accreditation with AAALAC (Association for Assessment and Accreditation of Laboratory Animal Care).

The New Product Committee approves pre-clinical projects reviewing design and animal numbers, and includes ethical review considerations.

Please note that from the end of 2023, Oxford Biomedica is no longer developing products and is therefore not carrying out any animal testing.

Principal risks, uncertainties and risk management

The Group is exposed to a range of risks, and operates in the cell and gene therapy sector which, by its nature, is relatively high risk compared with other industry sectors. Some of the risks are specific to the Group's current operations, others are common to all CDMO companies. Following the strategic review by the Board in 2023, the Risk Management Committee (RMC), the Board, and the CET have carried out a robust assessment of the emerging and principal risks facing the Group, a quality and innovation-led pure-play CDMO, including those which could threaten its business model, future performance, solvency or liquidity. Following the Group exiting its gene therapeutics pipeline, the Group no longer deem risks associated with product development as principal risks. There are significant financial, development and manufacturing risks in the cell and gene therapy sector, and the regulatory authorities have shown caution in their regulation of such products.

Risk assessment and evaluation is an integral and well-established part of the Group's management processes. The Group's risk management framework, described below, incorporates the implementation of a mitigation strategy, each tailored to the specific risk in question.

Risk management framework

The Group's risk management framework is as follows:

- Board of Directors – the Board has overall responsibility for risk management, determining the Group's risk tolerance, and for ensuring the maintenance of a sound system of internal control. The Board is provided with a risk report from the RMC as part of its Board materials at each of its formal meetings, of which there are at least six annually. The risk management processes are the responsibility of the CET with emerging risks identified by horizon scanning and discussed at the RMC (details of which can be found in the section titled Emerging Risks). The Audit Committee monitors the risk management processes and their implementation as well as reviewing the Group's internal financial controls and internal control systems.
- CET - during 2023, the CET (referred to as SET until November 2023) generally met every week, with once monthly-extended CET sessions to discuss current business issues and to consider relevant risks. Every quarter, the CET meets with the Chair of the RMC to consider the operational risk management processes and risks identified.
- Key management committees – the Group currently operates management sub-committees which meet monthly and through which much of the day-to-day business is managed. During 2023, this was managed through the extended Operational Leadership Team (which incorporates the Quality and Manufacturing Operations Committee), now represented by the Site Leadership Teams; the Intellectual Property Management Committee; the Science and Technology Advisory Committee; the Technical Development Committee, now the Global Technical and Innovation Committee; and the Workforce Engagement Panel (WEP). Risk management is a key feature of each sub-committee. Further information on the reporting lines of these committees can be found in the section titled Corporate Governance Framework on pages 77.
- Risk Management Committee – During 2023 ,the RMC comprised senior managers from each area of the business including members from the UK and US sites. The RMC is chaired by the Director of Financial Controls. Following the acquisition of ABL Europe (recently renamed Oxford Biomedica (France)), the RMC will include members representing operations in France. The RMC meets quarterly with a remit to identify and assess risks in the business and to consider mitigation and risk management steps that can be taken. The resultant risk register, captures each operational and strategic risk, and any related mitigating actions. A combined corporate risk register is discussed with the CET, at least quarterly, where strategic risks are agreed. The strategic risks form the basis of the Board risk report.
- From Q2 2024, a new Group Environmental, Social, Governance and Risk Committee structure will replace the existing RMC, ESG Committee, and Health & Safety Committee thereby formalising ESG into the Group's enterprise risk management framework. This committee will be supported by ESG & Risk Forums across each of OXB's sites in the UK, the US and EU (France).
- Standard Operating Procedures (SOP) – all areas of the business have well established SOPs which are required be followed to minimise the risks inherent in the Group's business operations. Where these are required for good manufacturing practice (GMP), good clinical practice (GCP) and good laboratory practice (GLP) any deviations from the SOPs are identified and investigated. Compliance with such SOPs are routinely subject to audit by the relevant regulators and business partners. Other SOPs, such as financial processes, are also subject to audits.

PRINCIPAL RISKS, UNCERTAINTIES AND RISK MANAGEMENT (CONTINUED)

Emerging risks

Emerging risks are 'new' risks that may challenge the Group in the future. These risks have the potential to occur at some point in the future but are unlikely to impact the business in the short term. The outcome of such risks is often more uncertain. These emerging risks may begin to evolve rapidly or simply not materialise at all. The Group monitors its business activities both in the external and internal environment for new, emerging and changing risks in order to ensure these are managed appropriately.

Emerging risks are identified via horizon scanning and are discussed at the RMC, and if deemed significant are captured in the risk register. For example, the following key active risks have been observed as an increasing risk, in terms of the likelihood and potential impact:

- Cyber risk: Threats relating to cyber security have been identified as becoming more sophisticated.
- Legal, regulatory and compliance risks: These risks continue to increase as the Group expands into new geographies becoming subject to additional rules and regulations.

Principal risks

There are a few notable changes to the Group's principal risks this year.

Previously, the Group identified the risk of failure or delays in the execution of the business plan of OXB (US) LLC (previously Oxford Biomedica Solutions LLC) as a principal risk. This risk crystallised during 2023 when Homology, a key client of OXB (US) LLC, announced a halt to its development programme. In addition, the Group previously identified as a principal risk being unable to spin out its product development business. This risk has been removed by the closing of the legacy product development division.

The change in strategy into a quality and innovation-led pure-play CDMO has assisted the Group in offsetting these previously identified principal risks. However, the Group recognises the risk posed by the transformation itself. The Group has therefore identified and registered the failure to become a quality and innovation-led pure-play CDMO as a principal risk for 2024.

Additionally, given the impact of the external macroeconomic and geopolitical environment on supply chains, the Group took the decision to extend the previous principal risk concerning the war in Ukraine to cover general geopolitical unrest.

Strategy key

- Accelerate Innovation
- Be a Great Place to Work
- Deliver Growth and Leadership
- Achieve Group Financial Targets

Trend key

- Increasing risk
- Unchanged
- Decreasing risk
- New

Risk category and principal risk	Context and potential impact	Mitigation actions	Trend versus prior year
COMMERCIALISATION RISKS			
OXB fails in its strategy to become a quality and innovation-led pure-play CDMO.	A failure by the Group to adopt its change in strategy, and a failure to execute the strategy could materially impact the business and success of the Group.	• Group-wide transformation and integration programmes are in progress to ensure the business is supported in its transition to become a pure-play CDMO. • A Group CEO with strong CDMO experience, has been appointed to drive the change in Group strategy. • A new organisational structure has been created to align and integrate commercial and operational activities across the OXB sites, which includes the appointment of Site Heads for each site who provide regular updates to the CET and the Board. • The Group has invested in the recruitment of a commercial team with strong CDMO experience. The Group has created a global function for CDMO sales and business development thereby aligning the sales pipeline across all sites.	This new risk recognises the challenges posed by the Group's transformation strategy.

Risk category and principal risk	Context and potential impact	Mitigation actions	Trend versus prior year
Collaborator and partner	The Group has entered into several collaborations and partnerships involving the development of product candidates by clients in which the Group has a financial interest through IP licences. Failure of the Group's clients to continue to develop the relevant product candidates for any reason could result in the Group losing potential revenues.	• The Group looks to mitigate this risk through maintaining a close relationship with its clients via steering group meetings that look at candidate selection and progression.	
Rapid technical change	The cell and gene therapy sector is characterised by rapidly changing technologies and significant competition. Advances in other technologies in the sector could undermine the Group's commercial prospects.	• The Group looks to mitigate this risk through active horizon scanning to identify the competition and technology advances in the sector. The Group looks to develop either in-house or via in-licensing new technologies for the Group's platform.	
Vector strategy	The Group has historically been dependent on lentiviral vector partnerships for revenue, and the move into new viral vector sectors, such as AAV, without prior specialist experience carries significant risk to the Group.	• The Group is mitigating this risk by diversifying its client portfolio with a vector agnostic approach, across all key viral vectors. • The commercial teams across the sites have been consolidated, aligning the use of the OXB brand to leverage the OXB reputation in lentiviral vectors to grow the AAV franchise and expand the growing business pipeline to spread the risk. • The Group is planning the introduction of manufacturing of lentiviral vectors at the Bedford, US site. • The Group has appointed sector experienced Site Heads to mange the US and UK operations. The Site Heads regularly report to CET and the Board.	This risk increases as the move into new viral vector sectors carries significant risk.
SUPPLY CHAIN AND BUSINESS EXECUTION RISKS			
Third party suppliers and supply chain	The Group relies on third parties, sometimes sole suppliers, for the supply of raw materials and certain out-sourced services. If such suppliers are unable to successfully meet their supply chain commitments to the Group, it could harm the Group's business.	• The Group mitigates the supply chain risks, across sites, by sourcing from multiple suppliers and regularly evaluating the correct inventory levels of critical material supplies through strategic inventory reviews. • The Group has asked key suppliers to hold stocks in local warehouses to cover any immediate supply issues. • The Group's new 45,000 square feet Wallingford warehouse is now open enabling the Group to hold an appropriate amount of ambient stock to cover upcoming production.	
Bioprocessing failure	The Group receives significant revenues from bioprocessing for third parties. Bioprocessing of viral vectors is complex and batches may fail to meet the required specification due to contamination or inadequate yield. Failure to deliver batches to the required specifications may lead to loss of revenues.	• The Group mitigates the risk of failing to meet required specifications by investing in high quality facilities, equipment and employees and, in particular, in quality management systems. • The Group mitigates the risk of variability in the quality of critical raw materials by increased engagement with its key suppliers and evaluating alternative critical suppliers.	This risk increases as the move into new viral vector sectors may increase the risk of bioprocessing failure.

PRINCIPAL RISKS, UNCERTAINTIES AND RISK MANAGEMENT (CONTINUED)

Risk category and principal risk	Context and potential impact	Mitigation actions	Trend versus prior year
Failure in information technology or cyber security	Cyber-attacks seeking to compromise the confidentiality, integrity and availability of IT systems and the data held on them are a continuing risk to the Group. Compromised confidentiality, integrity and availability of the Group's assets resulting from a cyber-attack may impact the Group's ability to deliver to clients and ultimately its financial performance and damage the Group's reputation.	• The Group mitigates the risk of cyber-attacks by ensuring that it has robust security monitoring and protection in place to provide detection of, and defence against, hostile activity. • The Group works holistically, across all sites, to protect domains and systems from attack. • The Group has worked to mitigate the impact of a cyber-attack by developing and testing recovery plans. • Further details can be found in the CIO report on page 72.	This risk continues to increase as threats from cyber security become more sophisticated.
Failure to attract, develop, engage and retain a diverse, talented and capable workforce	The Group depends on recruiting and retaining highly skilled employees to deliver its objectives and meet its partner needs. The market for such employees is increasingly competitive and failure to recruit or to retain employees with required skills and experience could adversely affect the Group's performance.	• The Group has put in place a competitive rewards and incentivisation package and regularly engages with employees to create an attractive working environment. • The Group also conducts benchmarking reviews to ensure that the remuneration package offered to employees is comparable with competing employers in the relevant jurisdiction.	This risk has reduced due to a general downturn in the recruitment market, but the threat of highly skilled employees joining competitors remains a concern.
LEGAL, REGULATORY AND COMPLIANCE RISKS			
Adverse outcome of litigation and/or governmental investigations	The Group's business operations are subject to a wide range of laws, rules and regulations across the UK, the EU and the US. Any failure to comply with these laws, rules and regulations may result in the Group being investigated by relevant government agencies and authorities and/or in legal proceedings being filed against the Group.	• The Group has an established compliance framework and has developed a strong ethical and compliance-focused culture amongst its employees. • The Group uses professional advisers to provide appropriate guidance and advice tailored to both the UK, the US and the EU market and applicable laws and regulations, to minimise any resulting risk that may arise.	This risk continues to increase as the Group expands into new geographies becoming subject to additional rules and regulations.
Adverse outcome of regulatory inspections	The Group's bioprocessing and analytical facilities are subject to regular inspections and approval by regulators and clients. Failure to comply with the standards required could result in production operations being suspended until the issues are rectified with the potential loss of revenue.	• The Group looks to mitigate the risk of failure arising from regulatory inspections through investment in high quality facilities, equipment and employees and, in particular, in quality management processes.	
Intellectual Property	Third party patents may emerge containing claims that impact the Group's freedom to operate with respect to its platforms.	• The Group has a dedicated team which actively manages IP rights and any IP litigation. • The Group has adopted a strategy of monitoring third party IP to identify future possible issues.	As the Group is no longer developing products, the approach to IP is different but infringement remains a risk.

Risk category and principal risk	Context and potential impact	Mitigation actions	Trend versus prior year
ECONOMIC AND FINANCIAL RISKS			
Climate change	The Group assesses physical climate-related risk at material geographic locations; transitional risks forecast by upcoming policy change; and non-compliance with TCFD reporting requirements. The Group may fail to assess and implement increasing regulation as it expands into new geographies and encounters increased regulatory oversight.	• The Group assesses physical climate-related risks, such as acute risks (flooding, high winds) and chronic risks (increased average temperatures) across all Group sites and suppliers where operational disruption may hold significant financial risk. • Transitional climate-related risks are assessed at a Group or regional level and include issues such as enhanced regulatory reporting requirements; changes in client and investor demand; and reputational risk. • The Group liaise with external advisers to help ensure the Group comply with TCFD recommendations.	↑ This risk is increasing as the Group expands into new geographies becoming subject to additional rules and regulations.
Foreign currency exposure and loan facility	The change in strategy into a quality and innovation-led pure-play CDMO, across three countries, exposes the Group to currency fluctuations between the US Dollar, Euro and Sterling. The Group has increased its US Dollar denominated spend by the UK business, and is exposed to fluctuations in the Sterling/US Dollar exchange rate. Failure to comply with the terms of the $50m loan agreement with Oaktree could potentially place the Group in default, and may require immediate repayment of the loan.	• Following the strategic decision of the Group to become vector agnostic across manufacturing sites, the Group expects an increased proportion of income received in both US Dollars and Euros to offset this risk. • The Group's acquisition of ABL Europe (recently renamed Oxford Biomedica (France)) included the value of €10 million cash from Institut Mérieux. • The Group's cash balances are predominantly held in Sterling, but the Group does keep US Dollar balances to cover net US Dollar expenditure over a forward-looking 12 month period. • Compliance with the terms of the Oaktree loan agreement is monitored by the Legal and the Finance departments.	↑ This risk continues to increase due to continued fluctuation of Sterling versus the US Dollar, and the Group's increased activity in Euro currency.
Product liability and insurance risk	In carrying out its activities the Group potentially faces contractual and statutory claims or other types of claims from clients, suppliers and/or investors. The Group is exposed to potential product liability risks that are inherent across the business.	• The Group operates extensive insurance coverage, across its global operations, to cover any loss incurred where possible. • Although the Group is able to obtain coverage against these risks, there can be no assurance that future insurance cover will be available to the Group at an acceptable cost, or that in the event of any claim the level of insurance carried by the Group will be adequate.	↓ This risk has been reduced by the decision to discontinue internal product development, although exposure to legacy products remain.
Geopolitical unrest	Inflationary cost pressures have accelerated in the wake of geopolitical events, such as the war in Ukraine and unrest in the Middle East giving rise to increased risk that the Group may not be able to pass on resulting price rises to clients. Further, there is a risk that such cost pressures will negatively impact the Group's clients and could result in a reduction in revenues from clients, including revenues from clients under long term contracts. In addition, the risk to the security of the Group's supply of energy is directly impacted by negative geopolitical events.	• The Group has sought to minimise the risk arising from energy costs and the security of long-term energy supply with long-term fixed contracts. • The Group actively monitors services provided for clients to ensure, where possible, inflationary cost increases are mitigated.	↔ This new risk recognises the impact of the external macroeconomic and geopolitical environment on the Group's supply chains,

PRINCIPAL RISKS, UNCERTAINTIES AND RISK MANAGEMENT (CONTINUED)

Protecting the Group's digital infrastructure, systems and data - CIO report

The Group recognise cyber security as a principal risk. A comprehensive digital security plan helps mitigate the operational, financial, reputational and stakeholder risks caused by cyber security threats, including the risk of major data breaches arising from internal lapses. The Board and CET acknowledge that threats and attacks here are becoming more sophisticated, more targeted and more automated.

Strategy

The digitalisation of core GxP and research processes is an important part of OXB's overall corporate strategy to be an innovation-led CDMO. Digitisation enhances controls and compliance, makes the Group's data easier to work with and brings operational efficiency.

Oxford Biomedica's role in COVID vaccine manufacturing for AstraZeneca required the Group to take a more alert and defensive posture on cyber matters. The nature and source of threats became both more likely and more diverse. The Group continues to receive support from the National Cyber Security Centre following its work with AstraZeneca on the COVID vaccine. In addition, the Group continues to actively participate in industry-focussed cyber security forums.

As the Group moves to end-to-end digitisation of design, development and manufacturing functions it inherently increases the attack surface and the criticality of those services to compliant delivery to clients and therefore revenue.

Governance

The Chief Information Officer leads on digital security strategy for CET. The Board is presented with an annual Cyber Security Review and receives an update in every CIO Board Paper. Digital security governance, process and routine cycles are captured in SOPs and Policies, which provide a framework for both PLC and GxP, including for healthcare regulator audit purposes.

The CIO is a member of the CET; this ensures that cyber matters are directly connected with strategy and that security is 'designed in' to new and development activity. There is strong central control and investment in IT.

Perimeter security, strong authentication and detection tools are fundamental. The Group monitors and reviews configuration of these tools as a team and reviews usage with vendors on a regular basis. This is regularly tested.

Strong emphasis is placed on human factors and vigilance as defence. The Group's life sciences 'quality' mentality brings a healthy culture of reporting potential incidents and raising low-level concerns which is embraced and supported by the Group's IT and security functions.

Risks

Aside from the general threat to business operations, digital security risks present specific threats to the Group's ability to operate as a CDMO:

- GxP Data Integrity. To release a product to a client such that it is safe, performs to the required quality and is compliant with regulations it must be accompanied by a complete and accurate record of every aspect of its production. As more of that record becomes digitised so does the potential for cyber disruption. New systems, supporting infrastructure and archiving tools will extend to address this risk.
- IP Theft and Data Loss. Clients entrust the Group with their IP. The Group's platform IP and know-how is a key differentiator for Oxford Biomedica. Internal controls and monitoring tools support this work.

Events

The Group was subject to two phishing attacks during 2023. The Group's systems and procedures detected the attacks and rapidly prevented any intrusion.

The strategic report on pages 4 to 72 was approved by the the Board on 29 April 2024 and signed on its behalf by:

Frank Mathias

CEO

29 April 2024

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Corporate Governance

Board of Directors

At the end of 2023 the Board comprised the following Directors:

Dr. Roch Doliveux (1)

Chair (Interim Chief Executive Officer until March 2023)
Dr. Roch Doliveux was appointed to the Board as Non-Executive Chair in June 2020. Dr. Doliveux was appointed interim CEO from January 2022, following John Dawson's retirement, until March 2023 when Oxford Biomedica welcomed Dr. Frank Mathias as the Chief Executive Officer. Dr. Doliveux is currently Chair of the Board of Directors at Pierre Fabre S.A. and Vice Chair of Pierre Fabre Participations. He was previously the Chief Executive Officer of UCB S.A. for ten years during which time he transformed the company from a diversified chemical group into a global biopharmaceutical leader. He was a member of the Board of UCB S.A. from 2002–2015 and from 2017–2021. In addition, Dr. Doliveux was a member of the Board of Stryker from 2010–2020 and Chair of the Compensation Committee from 2016–2020. He also chaired the Board of Vlerick Business School from 2013–2017, the Board of IMI, the largest healthcare public-private partnership in the world from 2012–2015 and GLG Institute from 2016–2022. Prior to this, Dr. Doliveux worked at Schering-Plough International, Inc. from 1990–2003 and at Ciba-Geigy AG (now Novartis) from 1982-1990. Dr. Doliveux is a Veterinary Surgeon by training and has an MBA from INSEAD.

Committee membership:
Nomination Committee (Chair).
Remuneration Committee (Dr. Doliveux did not serve as a member of the Remuneration Committee whilst he served as interim Chief Executive Officer).

Relevant skills:
Corporate strategy.
Corporate governance.
Investor relations

Dr. Frank Mathias (2)

Chief Executive Officer
Dr. Frank Mathias joined the Board as Chief Executive Officer in March 2023. Dr. Mathias was previously the CEO of Rentschler Biopharma SE, which he successfully developed into a leading global, full-service CDMO. Prior to Rentschler, Dr. Mathias was CEO of Medigene AG, a publicly listed immuno-oncology company focusing on the development of T-cell-based cancer therapies. Over the course of his 30-year career, Dr. Mathias has also served in senior roles at leading global pharmaceutical companies including Amgen Deutschland GmbH, Servier Deutschland GmbH and Hoechst AG, and in 2019 was awarded the title of "EY Entrepreneur of the Year" in Germany. Dr. Mathias is a pharmacist by training and completed his Doctorate in Pharmacy at Paris VI University.

Relevant skills:
Biotech and Pharma experience.
CDMO Industry experience.
CEO and global leadership.
Manufacturing/Supply Chain.

Stuart Henderson (3)

Vice Chair
Stuart Henderson was appointed to the Board as a Non-Executive Director and Chair of the Audit Committee in June 2016. He became Deputy Chair and Senior Independent Director in June 2020. In March 2023, Mr. Henderson became Vice Chair when the role of Deputy Chair and Senior Independent Director was divided into two roles. Mr. Henderson is also the designated Director by the Board to oversee engagement between the Board and the workforce. Previously, Mr. Henderson was a partner at Deloitte LLP where he was Head of European Healthcare and Life Sciences. Prior to this he was a Partner at Arthur Andersen. Mr. Henderson has extensive audit and transaction experience and has worked with life sciences businesses for over 35 years. Mr. Henderson is a former Non-Executive Director of the Babraham Institute, Biocity Group Limited, Norwich Research Partners LLP, OneNucleus Limited (the Life Sciences trade body for Cambridge and London) and Cell Therapy Catapult Limited.

Committee membership:
Audit Committee (Chair).
Remuneration Committee.
Nomination Committee.

Relevant skills:
Audit.
Corporate governance.
Corporate finance.

Professor Dame Kay Davies (4)

Senior Independent Director
Professor Dame Kay Davies was appointed to the Board as a Non-Executive Director in March 2021. In March 2023, Professor Davies became Senior Independent Director when the role of Deputy Chair and Senior Independent Director was divided into two roles. Professor Davies is a world-leading human geneticist with a research focus on the molecular analysis of neuromuscular and neurological disease. She is currently Dr. Lee's Professor of Anatomy Emeritus and Co-Director of MDUK Oxford Neuromuscular Centre at the University of Oxford. Professor Davies also sits on the Board of UCB S.A. and Thomas White Oxford Limited. She was co-founder of Summit Therapeutics Plc, a spinout from her research activities. Previously, Professor Davies was a Director of The Biotech Growth Trust plc. and a governor of the Wellcome Trust in 2008, serving as Deputy Chair between 2013 and 2017. Professor Davies has a BA in Chemistry and a D.Phil. in Biochemistry from the University of Oxford.

Committee membership:
Remuneration Committee.
Nomination Committee.
Science and Technology Advisory Committee (Chair).[1]

Relevant skills:
Cell and gene therapy.
Scientific advisory.

Stuart Paynter (5)

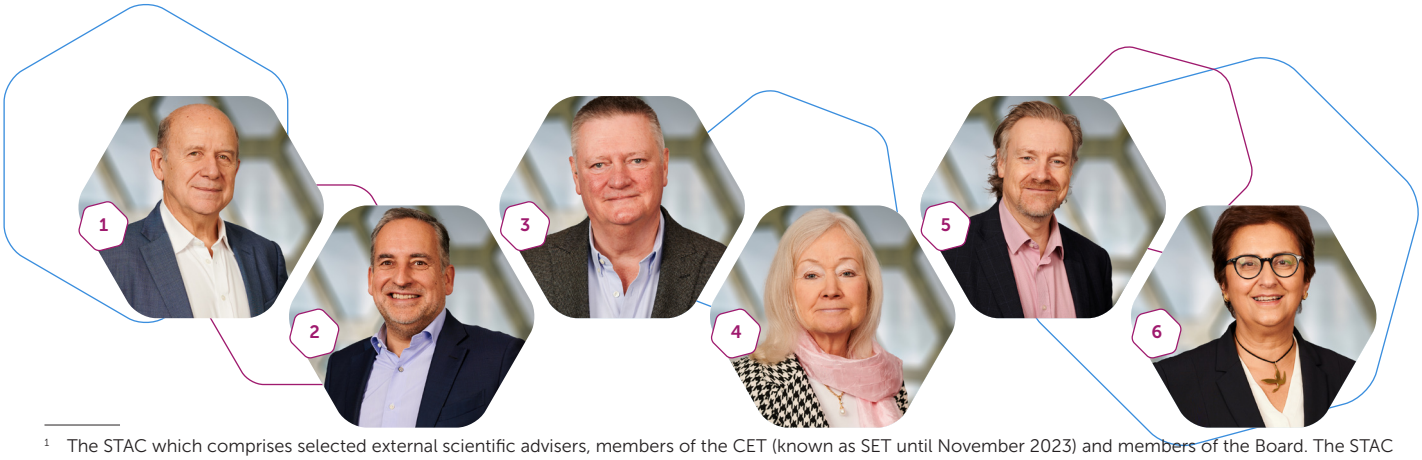
Chief Financial Officer
Stuart Paynter joined the Board as Chief Financial Officer in August 2017. Mr. Paynter has more than 20 years' experience in the pharmaceutical and healthcare sectors. He qualified as a Chartered Accountant with Haines Watts before moving to Electronic Data Systems Limited. Mr. Paynter subsequently joined Steris plc, and worked in a variety of roles within the healthcare and life sciences divisions prior to becoming the European Finance Director. Mr. Paynter then moved to Shire Pharmaceuticals plc where he became the Senior Director of Finance Business Partnering for all business outside of the US, transitioning to a corporate finance role before becoming the Global Head of Internal Audit. Prior to joining Oxford Biomedica, Mr. Paynter was Head of Finance Business Partnering at De La Rue plc. He is a member of the Institute of Chartered Accountants in England and Wales.

Relevant skills:
Financial, Audit and Risk.
Corporate Governance.
Cell and Gene Therapy industry experience.

Catherine Moukheibir (6)[2]

Independent Non-Executive Director
Catherine Moukheibir was appointed to the Board as a Non-Executive Director in December 2021.

Over the course of her career Ms. Moukheibir has served in senior executive roles and board positions including at Kymab Limited, Innate Pharma S.A, Ablynx N.V, Genkyotex S.A, MedDay Pharmaceuticals (Chairman and CEO), Zealand Pharma A/S, Zeltia S.A., and Creabilis SA. Prior to that, she was the CFO of Movetis N.V, overseeing the company's IPO on Euronext and subsequent sale to Shire Pharmaceuticals plc. She started her career in investment banking and capital markets working in the US and London. Ms. Moukheibir holds an MBA and a Masters in Economics from Yale University.



[1] The STAC which comprises selected external scientific advisers, members of the CET (known as SET until November 2023) and members of the Board. The STAC is chaired by Professor Dame Kay Davies.
[2] Catherine Moukheibir will not be standing for re-election at the forthcoming Annual General Meeting in June 2024.

Ms. Moukheibir has extensive international experience in finance, capital markets and life sciences and is currently serving as a Non-Executive board member with various companies, both listed (Biotalys NV, Ironwood Pharmaceuticals, Inc and MoonLake ImmunoTherapeutics), and privately owned (CMR Surgical Limited, Asceneuron SA. DNA Script SAS and Noema Pharma AG).

Committee membership:
Audit Committee.

Relevant skills:
Corporate finance.
Corporate strategy.

Dr. Heather Preston (7)

Independent Non-Executive Director
Dr. Heather Preston was appointed to the Board as a Non-Executive Director in March 2018 and was appointed Chair of the Remuneration Committee in June 2020. Dr. Preston is also on the board of Oxford Nanopore Technologies plc. In addition, she is a Senior Advisor to TPG Biotech. She has over 30 years of experience in healthcare, as a scientist, physician and management consultant and she has been an investor in life sciences and biotechnology for more than 20 years. Over the course of her career, Dr. Preston has also served as a Director on the Boards of Oxford Science Enterprises plc, Karuna Pharmaceuticals and Akouos Inc. Dr. Preston holds a degree in Medicine from the University of Oxford.

Committee membership:
Remuneration Committee (Chair).
Audit Committee.
Nomination Committee.
Scientific and Technology Advisory Committee.[3]

Relevant skills:
Scientific advisory.
Corporate finance.
Investor relations.

Leone Patterson (8)

Independent Non-Executive Director
Leone Patterson was appointed to the Board as an Independent Non-Executive Director in May 2023. Ms. Patterson has more than 20 years of public company biotech experience including in the cell and gene therapy industry and has managed significant growth within international commercial companies working across areas including strategy, finance, operations and governance. She is currently the Chief Financial and Business Officer at Tenaya Therapeutics, Inc., a clinical-stage company with a mission to discover, develop, and deliver potentially curative therapies, including gene therapy, for heart disease. She is also a Board member at Nkarta, Inc., a clinical-stage cell therapy company. Over the course of her career, Ms. Patterson has held leadership roles at Adverum Biotechnologies, Inc., Diadexus Inc., and Transcept Pharmaceuticals, Inc. and, earlier in her career, worked within Novartis AG, Chiron Corporation and KPMG. She holds a BS in business administration and accounting from Chapman University, an executive M.B.A. from St. Mary's College and is a Certified Public Accountant (inactive).

Committee membership:
Audit Committee.

Relevant skills:
Financial, Audit and Risk, Business Development and Strategy.
Cell and Gene Therapy industry experience.
Cybersecurity/IT.

Dr. Michael Hayden (9)[4]

Non-Executive Director
Dr. Hayden was appointed to the Board as a Non-Executive Director in July 2021. Dr. Hayden was previously the President of Global R&D and Chief Scientific Officer at Teva Pharmaceuticals Industries Ltd. and has co-founded five biotechnology companies: Prilenia Therapeutics B.V., NeuroVir Therapeutics Inc., Xenon Pharmaceuticals Inc., Aspreva Pharmaceuticals Corp and 89bio, Inc. He currently serves as CEO of Prilenia Therapeutics and represents private and public (Ionis Pharmaceuticals Inc., AbCellera Biologics Inc. and 89Bio Inc.) companies at Board level.

Dr. Hayden has focused his research primarily on translational medicine, including genetics of diabetes, lipoprotein disorders, Huntington's disease, predictive and personalised medicine, and drug development, and has authored approximately 900 peer-reviewed publications and invited submissions.

Committee membership:
Science and Technology Advisory Committee.[3]

Relevant skills:
Cell and gene therapy.
Scientific advisory.
Drug development.

Namrata Patel (10)

Independent Non-Executive Director
Namrata Patel was appointed to the Board as an Independent Non-Executive Director in April 2022. Ms. Patel has extensive international experience in manufacturing, contract manufacturer's and end to end Supply Chain management, as well as experience in the commercialised regulated industry. She has held positions of increasing seniority in major blue chip companies including Coca Cola, W H Smith Office Supplies, Gillette, Procter & Gamble and is currently working as Chief Supply Chain Officer for Haleon plc. Ms. Patel holds a Masters in Logistics and Management from the Cranfield School of Management, and a BA Hons in Public Administration from the University of South Wales, Mid Glamorgan.

Relevant skills:
Sustainability
Corporate finance.
Investor relations.

Robert Ghenchev (11)

Non-Executive Director
Robert Ghenchev was appointed to the Board as a Non-Executive Director in June 2019. Mr. Ghenchev is currently Head of Growth Equity at Novo Holdings. Prior to joining Novo Holdings, he was an investment banker at Moelis & Company and Deutsche Bank in London. Mr. Ghenchev has deep corporate finance experience advising life science companies on a wide range of issues. He holds a J.Hons. B.A. degree in Finance and Economics from McGill University and a M.Sc. degree in Financial Economics from the University of Oxford.

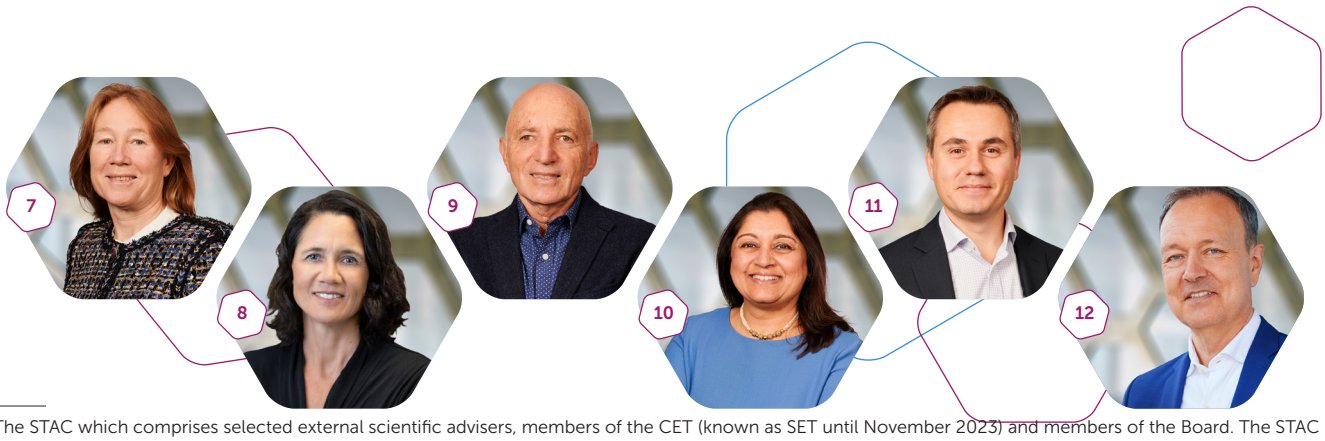
Relevant skills:
Corporate finance.
Investor relations.

In March 2024, post period-end, the Board was delighted to announce the appointment of Peter Soelkner to the Board as an independent Non-Executive Director.

Peter Soelkner (12)

Independent Non-Executive Director
Peter Soelkner was appointed to the Board as a Non-Executive Director in March 2024. Mr. Soelkner has more than 30 years' experience in the global pharmaceutical services industry with significant CDMO expertise. He is currently Managing Director of Vetter Pharma, a global Aseptic Filling and Packaging CDMO, where over the past 15 years he has helped grow revenues from $200 million to more than $1 billion. Prior to Vetter, Mr. Soelkner held various senior positions at Sartorius including Vice President of the Americas region where he expanded the global footprint of the business across the US and multiple sectors. He has an MBA from Columbia Business School, New York and Masters in Chemical Engineering from TU Dortmund University, Germany.

Relevant skills:
Corporate strategy.
CDMO.



[3] The STAC which comprises selected external scientific advisers, members of the CET (known as SET until November 2023) and members of the Board. The STAC is chaired by Professor Dame Kay Davies.
[4] Dr. Michael Hayden will not be standing for re-election at the forthcoming Annual General Meeting in June 2024.

Corporate Governance Report

Dear Shareholder

I am pleased to present Oxford Biomedica's Corporate Governance Report for 2023.

Corporate Governance continues to be an important area of focus for the Board. The Board believes that good Corporate Governance is essential for the long-term success of the business and this is ultimately the responsibility of the Board and its Committees.

I assumed the role of interim Chief Executive Officer of the Company in January 2022 following the announcement that John Dawson intended to retire from his role as Chief Executive Officer and an external search consultancy was appointed to commence the formal process to appoint a successor. In November 2022, we were delighted to announce that Dr. Frank Mathias would become Chief Executive Officer from March 2023 to lead the Group through its next phase of growth. Dr. Mathias brings world-class innovation and CDMO experience to Oxford Biomedica, having joined us from Rentschler Biopharma SE, where he served as their CEO from 2016. The appointment of Dr. Mathias has been a significant step in embedding our strategic focus as a quality and innovation-led cell and gene therapy CDMO.

During 2023, Oxford Biomedica made significant advancements to become a leading pure-play cell and gene therapy CDMO. Throughout the year, our primary focus has been further establishing global leadership in developing and manufacturing high-quality viral vectors for cell and gene therapy and achieving sustainable growth to provide attractive returns for shareholders. To facilitate this, we completed a strategic reset under the leadership of our new CEO which included a comprehensive realignment of the business, including a transformation of the organisational structure. This has enabled us to be optimally positioned to serve our clients and facilitate the delivery of life-changing cell and gene therapies to patients. We have also significantly expanded our commercial capabilities, increasing business development activities to open up potential revenue opportunities. This has been further enhanced by the acquisition of ABL Europe (recently renamed Oxford Biomedica (France)), completed post period-end in January 2024, which has provided us with a footprint in the EU and increased our capacity for process and analytical development. With a multi-vector multi-site model spanning the UK, the US and EU (France) we are continuing to build a world-leading cell and gene therapy CDMO. Leveraging the promising market landscape, we have strategically positioned ourselves to align to our clients' needs with end-to-end process development and manufacturing solutions.

At the end of 2023, the Board comprised 45% women, meeting the recommended target set in the Listing Rules. Furthermore, we can confirm that, during the year, the Company met the recommendations of the Parker Review on Ethnic Diversity and the requirements of the Listing Rules with regard to ethnic diversity in boardrooms (see page 86 for further information).

The Board was pleased to engage more fully with the Company's stakeholders in 2023. We held our AGM as a hybrid meeting, encouraging shareholders to vote by proxy in advance and inviting questions to be submitted to the Board in advance by post or email. Questions and our responses were made available on our website. The Board is looking forward to more "in person" engagement with shareholders, employees and other stakeholders in 2024, including inviting shareholders to attend the AGM in person this year.

In December 2023, the Company Secretary conducted an internal evaluation of the Board's performance covering the period from January 2023 to the fourth quarter of 2023. The review process comprised the completion of an anonymised questionnaire covering the various aspects of the activities of the Board and its Committees. The resulting report was discussed at the in person Board meeting in January 2024 and the Board plans to implement appropriate changes based on the outcome of the report. In addition to the Board evaluation in December 2023, the Nomination Committee initiated a skills review of the Board with the aim of realigning the skills with the Group's new strategy to become a pure-play CDMO. As a result of the review, the Board initiated a search conducted by an external search consultancy, Spencer Stuart, specifically targeting the selection of candidates with recent CEO and CDMO experience. In March 2024, we were pleased to announce that the Board had been further strengthened by the appointment of Peter Soelkner as an independent Non-Executive Director. Peter Soelkner has more than 30 years' experience in the global pharmaceutical services industry with significant CDMO expertise. In parallel, Catherine Moukheibir and Dr. Michael Hayden, who have played a defining role in shaping the Group's new strategy, both volunteered not to stand for re-election at the next AGM given that their strengths lie more in therapeutics rather than CDMO. I would like to personally thank Catherine and Michael for their impeccable service, loyalty and valuable insights throughout their tenure.

The following pages set out in more detail the activities and major matters considered by the Board in 2023.

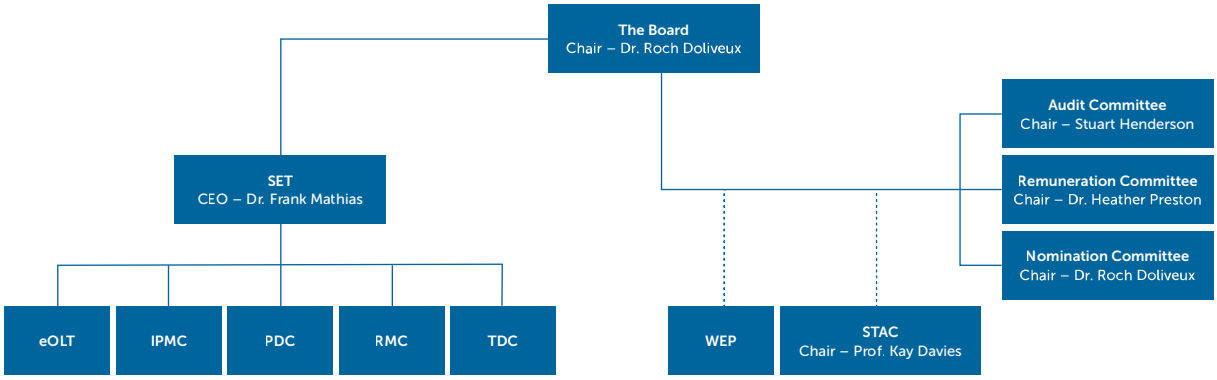
Dr. Roch Doliveux

Chair[1]

[1] Dr. Roch Doliveux served as interim Chief Executive Officer alongside his duties as Chair from January 2022 until March 2023, when Dr. Frank Mathias assumed the role of Chief Executive Officer.

Corporate Governance Framework

The Board and the Senior Executive Team and the global sub-committees during the period from 1 January 2023 to 30 November 2023 are set out below:



SET = Senior Executive Team; Dr. Roch Doliveux served as interim CEO until March 2023, when Dr. Frank Mathias assumed the CEO role

eOLT = extended Operations Leadership Team

IPMC = Intellectual Property Management Committee

PDC = Product Development Committee

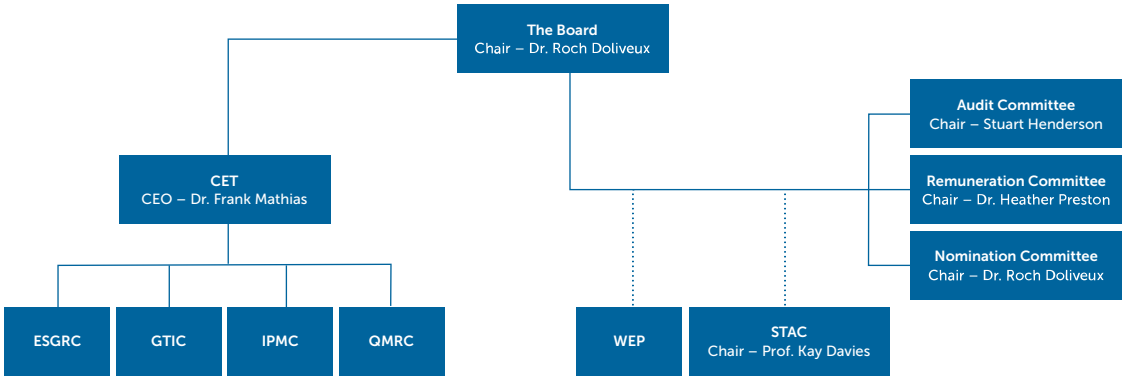
RMC = Risk Management Committee

STAC = Science and Technology Advisory Committee

TDC = Technical Development Committee

WEP = Workforce Engagement Panel

The Board and the Corporate Executive Team (CET) and the global sub-committees since 1 December 2023 are set out below:



CET = Corporate Executive Team, replacing the Senior Executive Team (SET) from December 2023; operations are now covered by the respective Site Leadership Teams (SLTs) in Bedford, US and Oxford, UK replacing the eOLG

ESGRC = Environment, Social, Governance and Risk Committee (new committee combining ESG and Risk Management)

GTIC = Global Technical and Innovation Committee, replacing the Technical Development Committee

IPMC = Intellectual Property Management Committee

QMRC = Quality Management Review Committee

STAC = Science and Technology Advisory Committee

WEP = Workforce Engagement Panel

Dr. Roch Doliveux was not a member of the Remuneration Committee whilst he served as interim CEO but was invited to join meetings as an observer.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board

The Board is collectively responsible for promoting the success of the Group by directing and supervising the Group's activities to create shareholder value. In doing so, it ensures that there are robust corporate governance and risk management processes in place. The Board comprises both Non-Executive and Executive Directors and provides the forum for external and independent review and challenge to the executive management. Following John Dawson's decision to step down as CEO in January 2022, Dr. Roch Doliveux acted as interim CEO whilst the Company undertook a search for a new CEO. Following Dr. Frank Mathias' appointment as CEO in March 2023 there was once again a clear division of responsibilities between the Chair and Chief Executive Officer. Following Board changes during 2023, the Board comprised nine Non-Executive Directors and two Executive Directors at year-end. Robert Ghenchev and Dr. Michael Hayden were considered not to be independent Non-Executive Directors.

The Board's powers and responsibilities are set out in the Company's articles of association and it has a formal schedule of matters reserved for the Board's approval.

The Board also takes a close interest in Quality, Health, Safety and Environment and Risk Management. Each of these areas prepare reports for the Board ahead of each Board meeting.

The Chair sets the agenda for the Board meeting in consultation with the Chief Executive Officer and the Company Secretary. Board papers, covering the agenda and taking into account items relating to the Board's responsibilities under s172 of the Companies Act 2006, are circulated several days ahead of each meeting. Regular Board papers during 2023 covered reports from the Chief Financial Officer on Finance and Investor Relations; the Chief Operations Officer on Safety, Health and Environment and UK Operations; the Chief Technical Officer on Quality, Process Research and Development, Client Programmes and Alliance Management and Analytical Services; the Chief Scientific Officer on Research; the Chief Medical Officer on the external funding opportunities for the Group's therapeutics portfolio and regulatory matters; the Chief Commercial Officer on Commercial CDMO activities; the Chief Information Officer on Cyber security and Digital Strategy; the Chief People Officer on Human Resources; the OXB (US) LLC CEO/US Site Head on the US Operations; and a Risk Management Report.

Factoring stakeholder engagement into Board decisions

By thoroughly understanding the Group's key stakeholder groups, the Group can factor their needs and concerns into Boardroom discussions (further information on the Group's stakeholders can be found on pages 15-19. The Board considers the stakeholder impact for all material decisions requiring its approval that could impact on one or more of its stakeholder groups. The stakeholder impact analysis assists the Directors in performing their duties under s172 of the Companies Act 2006 and provides the Board with assurance that the potential impacts on its stakeholders are being carefully considered by management when developing plans for Board approval.

The stakeholder impact analysis identifies:

- Potential benefits and areas of concern for each stakeholder group;
- The procedures and plans being implemented to mitigate against any areas of concern; and
- Who is responsible for ensuring the mitigation plans are being effectively implemented.

By way of example, the acquisition of ABL Europe (recently renamed Oxford Biomedica (France)) illustrates how the Board considered the potential impact of the decision to acquire ABL Europe on each stakeholder group as well as stakeholder needs and concerns, in accordance with s172 of the Companies Act 2006. . Further details of the Board's consideration of how the acquisition may affect stakeholders can be found on pages 20-21.

Board Committees

Certain responsibilities are delegated to three Board Committees – the Audit, Nomination and Remuneration Committees. These Committees operate under clearly defined terms of reference, which are disclosed on the Group's website (www.oxb.com).

In addition, the Company has an advisory committee, the STAC which comprises selected external scientific advisers, members of the CET (known as SET until November 2023) and of the Board. The STAC meets as required to review and assess new opportunities and provides an external independent view of assets to the Board. The STAC is chaired by Professor Dame Kay Davies and has clearly defined terms of reference, which are also disclosed on the Group's website (www.oxb.com). Further information regarding the WEP can be found in the Nomination Committee report on page 86.

Reports from the Audit and Nomination Committees are included in this section and the Directors' Remuneration Report can be found on pages 89-114 incorporating the Remuneration Committee Report.

Board Independence

At the end of 2023, the Board comprised the following Directors, whose biographies are more particularly set out on pages 74-75.

- Dr. Roch Doliveux who was appointed Non-Executive Chair of the Board and Chair of Nomination Committee in June 2020. Dr. Doliveux met the independence criteria recommended by the Corporate Governance Code at the time of his appointment. Dr. Doliveux acted as interim CEO from January 2022 until Dr. Frank Mathias joined as CEO in March 2023.
- Dr. Frank Mathias who was appointed as Chief Executive Officer in March 2023.
- Stuart Paynter who was appointed as Chief Financial Officer in August 2017.
- Stuart Henderson who was appointed as a Non-Executive Director in June 2016. Mr. Henderson is considered to be independent.
- Dr. Heather Preston who was appointed as a Non-Executive Director in March 2018. Dr. Preston is considered to be independent.
- Robert Ghenchev who was appointed as a Non-Executive Director in June 2019. Mr. Ghenchev is Managing Partner and Head of Growth Equity at Novo Holdings, which is a 12.05% investor in the Group, and as such he is not considered independent under the Corporate Governance Code.

- Professor Dame Kay Davies who was appointed as a Non-Executive Director in March 2021. Professor Davies is considered to be independent.
- Dr. Michael Hayden who was appointed as a Non-Executive Director in July 2021. Dr. Hayden is not currently considered to be independent, having previously provided consultancy services to the Board. Dr. Hayden has informed the Board that he will not be standing for re-election at the forthcoming AGM in June 2024.
- Catherine Moukheibir who was appointed as a Non-Executive Director in December 2021. Ms. Moukheibir is considered to be independent. Ms. Moukheibir has informed the Board that she will not be standing for re-election at the forthcoming AGM in June 2024.
- Namrata Patel who was appointed as a Non-Executive Director in April 2022. Ms. Patel is considered to be independent.
- Leone Patterson who was appointed as a Non-Executive Director in May 2023. Ms. Patterson is considered to be independent.

Each Director is provided with an appropriate induction on appointment.

All Directors and the Board and its Committees have access to advice and the services of the Company Secretary, and to external professional advisers as required. The appointment and removal of the Company Secretary is a matter for the Board as a whole to consider.

Board meetings

The Board meets regularly, with meeting dates agreed for each year in advance. During 2023, there were six regular Board meetings (on two occasions the meeting took place over two days). The attendance of individual Directors at Board and Committee meetings was as follows:

	Regular Board Meeting		Audit Committee		Remuneration Committee		Nomination Committee	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Professor Dame Kay Davies	6	6			11	10	5	5
Dr. Roch Doliveux	6	6			11[1]	10[1]	5	5
Dr. Frank Mathias[2]	4	4						
Robert Ghenchev	6	6						
Dr. Michael Hayden	6	6						
Stuart Henderson	6	6	4	4	11	11	5	5
Catherine Moukheibir	6	6	4	4				
Namrata Patel	6	6						
Stuart Paynter	6	6		3[3]				
Dr. Heather Preston	6	6	2	1	11	11	5	5
Dr. Sam Rasty[4]	3	3						
Leone Patterson[5]	4	4	3	2				

[1] Dr. Roch Doliveux acting as interim CEO was not considered independent during his time as interim CEO and attended as an observer for the first 5 meetings.
[2] Dr. Frank Mathias joined the Board in March 2023.
[3] Stuart Paynter attended as an observer.
[4] Dr. Sam Rasty retired from the Board on 23 June 2023.
[5] Leone Patterson was appointed in May 2023.

In addition to the above regular meetings, the Board (or an appointed sub-committee of the Board) met on seven other occasions to consider specific *ad hoc* matters including, *inter alia*, the approval of the 2022 financial statements, the interim 2023 financial results, succession planning and the acquisition of ABL Europe (recently renamed Oxford Biomedica (France)).

The Chair holds meetings after each regular Board meeting with Non-Executive Directors, without the Executive Directors in attendance.

Board activity during 2023

Board matters during 2023 included:

- Financial matters: including the approval of the 2023 financial budget; the 2023 corporate objectives; performance of 2022 corporate objectives; the Annual report and accounts; the preliminary results announcement; the interim results announcement; and review of the basis for the Group's related going concern disclosures;
- Startegy: including reviewing implementation of the change from a hybrid company to a pure-play CDMO and the acquisition of ABL Europe;
- Operational matters: including regular operational updates of the UK and the US sites;
- Commercial matters: including regular discussion of the commercial pipeline and business development opportunities;
- Reviewing the progress in relation to external funding opportunities for the therapeutics portfolio;
- Board governance: including the appointment of Dr. Frank Mathias as CEO, Leone Patterson as a Non-Executive Director and the completion of an internal evaluation on Board effectiveness;
- Human Resources: including regular updates on the restructuring and redundancy process, regular updates on workforce engagement from the WEP and regular review of employee retention statistics;
- Risk Management: regular reviews of the Group's risk management processes and key risks including cyber risks; and
- Health, Safety and Environment: regular updates on Health, Safety and Environment including reporting across all OXB sites.

Re-election of Directors

In accordance with the articles of association and to ensure compliance with the Corporate Governance Code, all Directors are subject to annual re-election.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In line with the Corporate Governance Code, Dr. Roch Doliveux, Dr. Frank Mathias, Stuart Paynter, Stuart Henderson, Dr. Heather Preston, Robert Ghenchev, Professor Dame Kay Davies, Leone Patterson, and Namrata Patel will retire and be subject to re-election at the AGM in 2024. Peter Soelkner shall stand for appointment by the shareholders for the first time. Catherine Moukheibir and Dr. Michael Hayden have informed the Board that they will not seek re-election at the forthcoming AGM in 2024.

Communication with shareholders

The Board recognises the importance of effective communication with shareholders and potential investors. The primary points of contact during 2023 were the interim Chief Executive Officer until March 2023, Chief Executive Officer after March 2023 and Chief Financial Officer. The Chair, Vice-Chair, Senior Independent Director and Chair of the Remuneration Committee are also available for meetings with investors, if required. Novo Holdings (12.05% shareholder) continues to be represented on the Board by Robert Ghenchev, which ensures a clear channel of communication with Novo Holdings during the year.

The Group has engaged with shareholders and potential investors through the various channels below:

Meetings with existing shareholders	Dr. Roch Doliveux, Dr. Frank Mathias and Stuart Paynter met with major shareholders during 2023. Stuart Henderson as Chair of the Audit Committee and Dr. Heather Preston as Chair of the Remuneration Committee also met with major shareholders.
2023 Annual General Meeting	The 2023 AGM was held on 23 June 2023 as a hybrid meeting. Directors and Shareholders were invited to attend the AGM virtually or in person. The AGM lasted around 30 minutes. The AGM included a Q&A session after the meeting closed with the answers posted on the Group's website (questions to the Group were able to be submitted in advance of the meeting).
Meetings with potential investors	During 2023, Stuart Paynter regularly made presentations and met potential investors on a one-to-one basis or virtually at investor conferences in Europe and the US. In addition, Dr. Roch Doliveux (both as interim CEO and Chair) and Dr. Frank Mathias also met with a number of investors throughout the year. The Group conducted investor roadshows periodically, which provided further opportunities to meet potential investors. Since joining the Group as CEO in March 2023, Dr. Mathias has assumed primary responsibility for meetings with potential investors, alongside Mr. Paynter.
Results announcements and presentations	The Group announced its 2022 full year performance and financial results in April 2023, and its 2023 half year interim results in September 2023, through RNS announcements accompanied by analyst conference calls which are accessible to all shareholders, with recordings and transcripts of which were made available on the Group's website.
2022 Annual report	The Group published its 2022 Annual report and accounts in April 2023.
Website	The Group's website http://www.oxb.com contains details of the Group's activities as well as copies of regulatory announcements and press releases, copies of the Group's financial statements, and terms of reference for the Board Committees. Investors and others can subscribe to an e-mail alert service, which provides notifications of announcements.
Investor relations	The Group endeavours to respond to all enquiries from shareholders and potential investors received through its enquiry inbox ir@oxb.com.
Social media	The Group uses LinkedIn to alert followers to Company news flow.

The Senior Executive Team (SET) and its committees

From January to November 2023, operational management was conducted by the Senior Executive Team (SET) comprising the Executive Directors, Dr. James Miskin, Dr. Jason Slingsby (stepped down April 2023), Dr. Kyriacos Mitrophanous, Lisa James, Nick Page (stepped down September 2023), Mark Caswell (joined July 2023), Matthew Treagus, Natalie Walter, Dr. Ravi Rao (stepped down October 2023), Dr. Sébastien Ribault, Dr. Thierry Cournez (joined October 2023) and Tim Kelly (stepped down July 2023). The SET met every week, with the agenda covering the full range of activities of the Group, including financial performance, organisational and employment matters, risk management and Safety, Health and Environment.

There were five SET sub-committees covering the major business operational areas from January to November 2023. During 2023, except for the Product Development Committee, these sub-committees met monthly, and were attended by SET members and other relevant senior managers from the business. The five SET sub-committees were:

- Product Development Committee (PDC) – covering the development of new cell and gene therapy products from initial concept through to clinical development; the PDC was dissolved in H1 2023;
- Technical Development Committee (TDC) – covering the development of new and improved assays and production and other processes, including cell and vector engineering;
- Extended Operational Leadership Team (eOLT) – incorporated the Quality and Manufacturing Operations Committee covering quality, operational and manufacturing matters;
- Intellectual Property Management Committee (IPMC) – comprising senior members of technical and IP teams was responsible for ensuring the protection of Intellectual Property at OXB. During 2023, representatives from OXB (US) LLC joined the IPMC; and
- Risk Management Committee (RMC) – comprising senior managers from all parts of the business, responsible for identifying and assessing risks facing the business and proposing risk mitigation and management actions.

Within their area of responsibility these committees cover objective and target setting, monitoring performance against targets, ensuring compliance with GxP and other relevant requirements, monitoring expenditure against budget and risk management.

Important matters from all of these committees were referred to the SET.

The Corporate Executive Team (CET) and its committees

From December 2023, the composition of the SET changed to align with the transformation of the Company to a pure-play CDMO. The SET became known as the Corporate Executive Team (CET) and became responsible for the global management of the Company. The CET comprises the Executive Directors, Dr. Thierry Cournez, Lisa James, Dr. James Miskin, Dr. Kyriacos Mitrophanous, Dr. Sébastien Ribault, Matthew Treagus and Natalie Walter. The CET focuses on overall global governance (including ESG and risk management), Company culture and management, strategic direction, financial performance, including regular measurement of the Company objectives and KPI's. The CET meets on a bi-weekly basis. The Site Heads join the CET meetings every other meeting. Operations are covered by the respective Site Leadership Teams (SLTs) in Bedford, US and Oxford, UK replacing the eOLT.

From December 2023, the five SET committees were restructured into four CET sub-committees covering the major business operational areas. These sub-committees meet on a regular basis and are attended by certain CET members and other relevant senior managers from the business. The CET sub-committees are:

- Environment, Social, Governance and Risk Committee (ESGC) – this new committee combines ESG and Risk Management Committees comprising senior managers from all parts of the business across all OXB sites;
- Global Technical and Innovation Committee (GTIC) – this committee is authorised by the CET to review all technical and innovation activities associated with the Group's capabilities, platform technologies and technical innovations across all OXB sites, and is the successor of the previous TDC. It will be the primary forum for discussing new projects related to the technology / innovation roadmap and making strategic and budgetary decisions on the best uses of OXB resources;
- Intellectual Property Management Committee (IPMC) – this committee comprises senior members of technical and IP teams and and is responsible for ensuring the protection of Intellectual Property across all OXB sites; and
- Quality Management Review Committee (QMRC) – this committee provides global oversight in relation to quality and compliance across all OXB sites and is supported by more frequent location/site specific quality forums where each of the sites review quality related KPIs, compliance, etc. to evaluate the overall health of the Quality Management System at the site level.

Within their area of responsibility these committees set objectives and targets, monitor performance against KPI's, ensure compliance with GxP and other relevant requirements, monitor expenditure against budget and risk management. Important matters from all of these committees are referred to the CET.

Risk management

The Board is responsible for determining the nature and extent of the risks it is willing to take in achieving the objectives of the Group. A risk report is provided ahead of every Board meeting. The Audit Committee monitors the conduct of the risk management processes within the Group whilst the CET is accountable for those processes, identifying the risks facing the Group and formulating risk mitigation plans. The active involvement of the Executive Directors and CET in the management of the sub-committees allows them to monitor and assess significant business, operational, financial, compliance and other risks. Further details of the Group's risk management framework, together with the Group's identified principal risks, uncertainties and risk management, can be found at pages 67-72.

The Board's assessment of the prospects of the Group, its expectation that the Group will be able to continue in operation and meet its liabilities as they fall due, and the viability statement, are set out on pages 119-121.

Audit Committee Report

During 2023, the Audit Committee comprised Stuart Henderson (Chair), Dr. Heather Preston, Catherine Moukheibir and Leone Patterson. In April 2023, Dr. Preston resigned from the Audit Committee and Ms Patterson was appointed to the Audit Committee in May 2023. During 2023, the Company complied with the recommendation set out in Provision 24 of the Corporate Governance Code that the Audit Committee comprise at least three independent Non-Executive Directors. Mr Henderson, Dr. Preston, Ms Moukheibir and Ms Patterson all have relevant experience across life sciences and biotechnology, which qualified them for membership of the Audit Committee and, in the case of Mr. Henderson, to be Chair of the Audit Committee. In addition, although not a member of the Audit Committee, Namrata Patel attends the Audit Committee at least twice a year in her role as Non-Executive Director responsible for reviewing climate and sustainability reporting.

Each Audit Committee member's respective experience can be found in their biographies on page 74

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:
- The integrity of the financial and narrative statements and other financial information provided to shareholders;
- The internal controls and risk management for the Company and its subsidiaries (together, the Group);
- The external audit process and auditors; and
- The processes for compliance with laws, regulations and ethical codes of practice.

Key activities

In relation to the financial statements, the Audit Committee ensures that the Group provides accurate and timely financial results that reflect the relevant accounting standards and judgements appropriately. This includes assisting the Board with oversight of the quality and integrity of the Group's financial reporting and accounting policies and practices and the Group's status as a going concern and longer-term prospects and viability, including the appropriateness of a three-year period assessment reflecting the dynamic and changing environment in which the Group operates (further details can be found on pages 118-119). The Audit Committee reviewed and recommended the approval of the 2022 preliminary results and announcement and 2022 Annual report and accounts, the 2023 interim financial statements, the Group's 2023 preliminary results and this Annual report and accounts.

Statutory reporting

As part of its review of the financial statements, the Audit Committee considered, and challenged as appropriate, the accounting policies and significant judgements and estimates underpinning the financial statements. Details regarding the significant financial reporting matters and how they were addressed by the Audit Committee are set out later in this section of the Annual report and accounts.

Risk management

On behalf of the Board, the Audit Committee oversees the risk management strategy and appetite, the appropriateness and effectiveness of internal control processes, and Corporate Governance Code compliance.

At least annually, the Chair of the Risk Management Committee (RMC) presented the Audit Committee with an update on the existing principal risks, emerging risks and any significant operational risks identified by the respective risk management committees of the UK and US sites, and the associated steps that the Group takes to mitigate such risks. The Audit Committee acknowledge that the risks concerning failure in the execution of the business plan for OXB (US) LLC, and the closure of the product development programmes have been removed as principal risks. The Audit Committee also recognise the Group has spent significant effort in revising its corporate strategy, details of which can be found on pages 4-5. As mentioned above, further details of the Group's principal risks can be found on pages 67-72.

On an annual basis the RMC performs an update to the corporate fraud risk register to refresh the potential scenarios where fraud could arise across the Group. The Audit Committee reviewed and had the opportunity to provide feedback on the identified high and medium risk scenarios. The Audit Committee also noted the importance of maintaining the fraud risk register in preparation for the upcoming Economic Crime and Corporate Transparency Act 2023.

Internal control

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss. At least annually, the Group Financial Controller, and Director of Financial Controls, presents the Audit Committee with an update on control activity performed during the year, including financial, operational and compliance controls. The status of outstanding external audit recommendations and internal financial control improvement activity was reviewed at the April 2023 and November 2023 Audit Committee meetings. Based on its review, the Audit Committee has concluded that the system of internal control provides a reasonable basis for signing off the Annual report and accounts.

In addition to the formal Audit Committee updates, the Audit Committee Chair met with the Chief Financial Officer, Director of Financial Controls and Finance Leadership Team at least twice during 2023 for more detailed review and conversation on the progress on internal control improvements, and key accounting estimates, such as the impairment of the OXB (US) LLC investment.

The main features of the internal control process which apply to the Group's financial reporting processes include:
- A detailed review process of the Annual report and accounts, including review by the CET (known as SET until November 2023) and the Board;

- Preparation of accounting papers for significant accounting and judgemental issues by the Senior Director, Head of Finance and the Financial Reporting Manager and independently reviewed by Group Financial Controller, Chief Financial Officer and the Audit Committee;
- Performance of an annual assessment of the risk of financial fraud and misstatement within the financial statements and accounting records, and assessment of the appropriateness of controls in place to mitigate the risks identified to an acceptable level;
- Preparation of detailed going concern and viability assessment papers and cash flow forecasts by the Head of Financial Planning and Analysis, with subsequent detailed review and approval by the Chief Financial Officer and the Board;
- Organisation of the finance function such that monthly management results and externally reported financial statements are subject to thorough review by the Group Financial Controller, Head of Financial Planning and Analysis and the Chief Financial Officer;
- Performance of control procedures over revenues, journals and key statement of financial position accounts which have been assessed to have the greatest risk of misstatement;
- Clear separation of duties and authorisation limits within the financial processes such as approval of invoices, purchase orders, payroll and disbursements; and
- Use of specialists and experts for areas of technical accounting judgemental areas where there is not sufficient expertise in the team.

During 2021, the Group embarked on a finance function transformation strategy to enhance the internal control environment, ahead of expected corporate governance reforms and updates to the UK Corporate Governance Code. The Group operates a continuous improvement approach to its internal control environment. This includes the ongoing monitoring of Finance processes to identify inefficiencies or areas of weakness. The Group also ensures that feedback from external auditors is incorporated into its control processes.

During 2023, the following control improvements were implemented:
- Enhanced the quality of documents, procedures and technical accounting papers that underpin our key financial reporting processes;
- Established closer working relationships between the UK and the US Finance teams to align accounting policies and financial reporting processes;
- Documented the key risks and mitigating controls across the end-to-end financial reporting processes across the US site including the monthly monitoring and testing of US key controls;
- Performed a risk review over Finance user access to our Enterprise Resource Planning (ERP) system; and
- Continued to report regularly to the Audit Committee on progress on the improvements to our control environment.

This work will continue throughout 2024 as the Group focusses on bringing the financial reporting processes performed by Oxford Biomedica (France) into the Group's control framework ensuring access and segregation of duties across the US and the French ERP systems are regularly reviewed and monitored.

Compliance

The Audit Committee supports the Board in discharging its responsibilities in relation to whistleblowing, ethical behaviour, and the prevention of bribery, fraud, and adherence to modern slavery legislation.

External audit

The Audit Committee regularly reviews the role of the external auditor and the scope of its work, including audit and non-audit fees, update reports and management letter observations, as well as the effectiveness of the external auditor having regard to the FRC's Revised Ethical Standard 2019. The Audit Committee is satisfied that it complies with the FRC's Audit Committee and the External Audit: Minimum Standards 2023. See External Auditor section on page 85 which sets-out how the Audit Committee has interacted with the auditors during the year.

Annual evaluation for an Internal audit function

The Group does not currently operate an Internal Audit function, although on an annual basis the Audit Committee considers the need for such a function. The Audit Committee is satisfied that, at this stage, the Group is not currently in a position to support an Internal Audit function. However, in the absence of an Internal Audit function, the Audit Committee receives and acknowledges regular updates from either the Group Financial Controller or the Director of Financial Controls regarding control activity performed during the year, as set-out in the internal control section, above. In addition, the Audit Committee receives regular updates from the Chief Technical Officer on the performance of the Group's quality and compliances systems, and updates from the Chief Information Officer on the Group's protections against cyber security events.

Other governance matters

The Audit Committee considers its effectiveness on a stand-alone basis, as a detailed sub-set of the Board effectiveness review. Each year the Audit Committee considers its terms of reference and recommends any changes it deems necessary or beneficial to the Board. During 2023, the Board reviewed and approved the Audit Committee terms of reference. No changes were made, other than to ensure that the the terms of reference remain fit for purpose.

Meetings held

The Audit Committee met four times in 2023. The key items for discussion and review were as follows:
- April 2023 – to review the 2022 audit findings and consider the auditors' report. The Audit Committee reviewed all the material accounting and estimation judgements likely to have a material impact on the financial statements. The auditors reported on significant risk areas of audit focus including revenue streams, valuation of acquired intangible assets, sale and leaseback of the

AUDIT COMMITTEE REPORT (CONTINUED)

Windrush Court property, management override of controls, inventory quantities at OXB (US) LLC, impairment of the OXB (US) LLC Cash Generating Unit, share-based payment, and going concern. A quality update was presented by the Chief Quality and Technical Officer on the outcome of regulator audits and supplier audits.

- June 2023 - to review the terms of reference of the Audit Committee, the annual Audit Committee cycle, and agree standing items for future meetings. The Audit Committee also held a debrief of the 2022 audit and key matters to address.
- September 2023 – to review the 2023 interim results. The auditors reported on the status of their review of areas of audit focus, including going concern; feedback from the review of key financial reporting controls; discussion on management's judgement over the impairment of the put option liability to acquire the remaining 20% of Oxford Biomedica (US) LLC that the Group doesn't already own; and the sale and leaseback transaction of the Harrow House property. The Audit Committee reviewed the audit plan for the year ending 2023, including materiality, audit and non-audit fees, the independence of PwC, and matters relating to regulatory and governance changes. Namrata Patel presented a sustainability update to highlight the Group's environmental policies and initiatives. The auditors noted how the Group compared to other companies on their public statements about sustainability. The Audit Committee requested the Group delegation of authority framework be reviewed to reflect alignment between the UK and the US jurisdictions and the predicted changes from the Group transformation strategy. The Audit Committee also held a private session with the auditors.
- November 2023 – to review risk management, financing strategies, insurance strategy, tax strategy, treasury policy and the financial control environment and related controls. The 2023/24 insurance strategy was presented to and accepted by the Audit Committee. An update was provided on improvements to the Group's internal control environment during 2023, and the Audit Committee discussed the impact of the 2023 Group restructuring on the finance function. The Chief Financial Officer presented a review of the Group's financing strategy including cash forecasts over a 3-year period. The Audit Committee discussed the valuation of the OXB (US) LLC business and the impact of its impairment on the put option liability. The Chief Information Officer presented an update on the risks and mitigations against cyber security threats. A quality update was presented by the Chief Quality and Technical Officer on the outcome of regulator audits and supplier audits.

In accordance with Provision 3 of the Corporate Governance Code, the Chair of the Audit Committee engaged with shareholders on significant matters involving Audit Committee business, and was and remains available to discuss Audit Committee matters with shareholders throughout the year.

Key judgements and estimates considered within the financial statements:

The key judgements and estimates considered in relation to the financial statements for the year ended 31 December 2023 are set out in the following table. 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, were considered by the Audit Committee. As part of these considerations, management provided the Audit Committee with detailed updates on the nature, the rationale and risk of misstatement of these key accounting items, estimates and judgements. The Audit Committee and the external auditor have discussed the significant issues at each of the Audit Committee meetings, as noted on page 83.

Issue	How the issue was addressed by the Audit Committee
Contract revenues: identification of performance obligations, allocation of revenue and timing of revenue recognition	The Audit Committee reviewed management's approach to the key areas of judgement within the collaboration agreements entered into during the period. With regard to (i) the number of distinct performance obligations contained within each collaboration agreement; (ii) the fair value allocation of revenue to each performance obligation; and (iii) the timing of revenue recognition based on the achievement of the relevant performance obligation, the Audit Committee accepted management's judgements. The Audit Committee also accept that 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.
Percentage of completion of bioprocessing batch revenues	The Audit Committee considered management's policy on recognition of revenue of clinical / commercial product based on the achievement of verifiable stages of the bioprocessing process. The Audit Committee challenged management's judgement in terms of the assessment of the correct stage of completion including the expected costs of completion for that specific bioprocessing batch, and confirmed that the judgement continued to be appropriate.
Percentage of completion of fixed price process development revenues	The Audit Committee reviewed management's rationale supporting its estimation in terms of the assessment of the correct percentage of completion for fixed price process development work packages. The Audit Committee was satisfied with the judgement and estimates employed to recognise revenue and the related contract asset.
Provision for out of specification bioprocessing batches	The Audit Committee challenged management on its policy on the estimation 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. Management explained that 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 Audit Committee were satisfied that the Group makes appropriate specific provisions for product batches.

Issue	How the issue was addressed by the Audit Committee
Amortisation of intangible assets (developed technology)	The Audit Committee confirmed management's assessment that the estimated useful life of developed technology acquired by the Group is 15 years. The Audit Committee were satisfied that 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 Oxford Biomedica (US) LLC will become fully obsolete, noting that 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.
Valuation of put option liability	The Audit Committee considered management's approach to the valuation of the put option liability, in light of the significant impairment assessment of the US business. On 10 March 2022, the Group recognised a put option liability to acquire the remaining 20% of Oxford Biomedica (US) LLC that it doesn't already own, from Homology. The Audit Committee, having taken into consideration the significant impairment, is satisfied with the methodology to estimate the fair value of the put liability.
Impairment assessment of Oxford Biomedica (US) LLC Cash Generating Unit (CGU)	The Audit Committee spent considerable time challenging both management and the auditors on the significant impairment of the US business, due to the decision by Homology (the US business units largest client) to cease clinical activities. The Audit Committee is satisfied with management's impairment assessment performed with the assistance of external subject matter experts. Due to the CGU not meeting the original revenues forecasted as part of the acquisition of Oxford Biomedica (US) LLC, an impairment assessment is required as the recoverable amount of the CGU is deemed to be the higher of its fair value in use less cost of disposal or value in use.

External Auditor

The Group welcomed PricewaterhouseCoopers LLP (PwC) whose appointment to replace KPMG LLP as auditors was approved by shareholders at the Company's 2023 AGM. Under the direction of the Audit Partner, and working closely with the Group, PwC implemented a comprehensive audit plan to transition activity from KPMG. The Chair of the Audit Committee met with the new external auditors during the transition to support and ensure the smooth execution of the transition.

The Audit Committee regularly reviews the role of the external auditor and the scope of their audit, and formally met with PwC at two of the four Audit Committee meetings during the year. In addition to these formal meetings, the Chair of the Audit Committee met with the external auditors, during the year, to discuss specific items relevant to the audit and financial statements, thus ensuring a continuous and ongoing dialogue is maintained. The Audit Committee considers the effectiveness of the external auditor on an ongoing basis during the year, considering, among other things, its independence, objectivity, appropriate mindset and professional scepticism, through its own observations and interactions with the external auditor, and having regard to the following:

- Experience and expertise of the external auditor in their direct communication with, and support to, the Audit Committee;
- Content, quality of insights and value of their reports;
- Fulfilment of the agreed external audit plan;
- Robustness and perceptiveness of the external auditor in their handling of key accounting and audit judgements;
- The interaction between management and the external auditor, including ensuring that management dedicates sufficient time to the audit process;
- Provision of non-audit services, as set out below; and
- Other relevant UK professional and regulatory requirements.

Up to the release of the 2023 financial statements, PwC contributed a further independent perspective on certain aspects of the Group's financial control systems arising from their normal audit procedures and reported these to the Audit Committee.

The process for approving all non-audit work provided by the external auditor is overseen by the Audit Committee in order to safeguard the objectivity and independence of the auditor, and in compliance with regulatory and ethical guidance. If PwC were to be chosen to provide non-audit services it would be the result of their demonstrating the relevant skills and experience to make it an appropriate supplier to undertake the work in a cost-effective manner. The Group's policy for non-audit services reflects the regulations that prohibit the provision of certain non-audit services, such as payroll services, by the external auditor and introduces a cap on non-audit fees. In line with the regulations, the Group is required to cap the level of non-audit fees paid to its external auditor and has done this at 10% of the audit fees paid in the previous financial year.

With the exception of fees paid in respect of the auditors' review of the Group's interim financial statements, there were no non-audit fees received by PwC in 2023. The non-audit fees policy is compliant with ethical Standards for Auditors. In 2023, PwC received total fees of £0.9 million (2022: £nil). Fees paid to PwC are set out in note 7 to the financial statements.

Fair, balanced and understandable statement

The Audit Committee considered this Annual report and accounts, taken as a whole, and concluded that the disclosures, as well as the processes and controls underlying its production, were appropriate and recommended to the Board that the Annual report and accounts is fair, balanced and understandable while providing the necessary information to assess the Group's position and performance, business model and strategy.

Stuart Henderson

Chair of the Audit Committee

Nomination Committee Report

The Nomination Committee, which is chaired by Dr. Roch Doliveux, in his capacity as the Company's Chair, leads the process for making appointments to the Board and succession planning, and comprises Stuart Henderson, Dr. Heather Preston and Professor Dame Kay Davies. All Nomination Committee members, apart from Dr. Doliveux until March 2023 (due to Dr. Doliveux holding the roles of Chair and interim CEO) were deemed independent Non-Executive Directors. Since Dr. Frank Mathias assumed the role of CEO in March 2023, all Nomination Committee members are now deemed independent Non-Executive Directors. The primary duties of the Nomination Committee are set out in its written terms of reference, a copy of which is available on the Group's website.

The Nomination Committee met 5 times in 2023 in order to review the succession plans for both the Board and that of its Committees. In addition, the Nomination Committee met to discuss the results of the internal Board evaluation from 2022 and to prepare for the internal Board evaluation for 2023.

In addition, and in accordance with Provision 12 of the Corporate Governance Code, Stuart Henderson, as the Senior Independent Director, met with the Non-Executive Directors without the Chair present to appraise the Chair's performance. Professor Dame Kay Davies will continue this best practice in accordance with the Corporate Governance Code in 2024.

Board succession planning

As noted above, during the year the Nomination Committee reviewed the succession plans for both the Board and that of its Committees. As part of its succession planning, the Nomination Committee identified that a woman should hold a senior position on the Board in order to meet the recommendations set out in Listing Rule 9.8.6(9)(a)(ii) and also the recommendations of the FTSE Women Leaders Review. Accordingly, the Nomination Committee decided to split the role of Deputy Chair and Senior Independent Director into two roles, appointing Professor Dame Kay Davies as the Senior Independent Director and appointing Stuart Henderson as Vice Chair with effect from 22 March 2023. Professor Davies also acts as Chair of the Science and Technology Advisory Committee, an advisory committee to the Board. In accordance with the Corporate Governance Code, a description of the responsibilities of the Chair, Vice Chair, CEO, Senior Independent Director, the Board and its Committees can be found on the Company's website.

In addition, in January 2023, Dr. Sam Rasty informed the Board that he would not be standing for re-election at the AGM in June 2023 and Leone Patterson was appointed as an independent Non-Executive Director with effect from 1 May 2023, following a search conducted by an external search consultancy, Koenig Associates, specifically targeting the selection of female and ethnically diverse candidates. The Company and the Directors have no connections with Koenig Associates.

Following the Company restructure in December 2023, the Nomination Committee commenced a review of the Board composition to ensure the Board's skills aligned with restructure to a client centric quality lead, CDMO. As part of the Board evaluation process, all Board members were asked to complete a skills matrix, the results of which were shared with the Board at the January Board meeting. The skills matrix showed the Board to be strong in finance but lacking strength in CEO/CDMO experience. As a result, in January 2024, the Nomination Committee commenced a search with external search consultancy, Spencer Stuart, specifically targeting candidates with CEO/CDMO experience. The Company and the Directors have no connections with Spencer Stuart. In March 2024, the Company announced the appointment of Peter Soelkner as an independent Non-Executive Director. Mr. Soelkner has more than 30 years' experience in the global pharmaceutical services industry with significant CDMO expertise.

In January 2024, whilst reviewing the skills matrix in the context of the restructure, the Nomination Committee considered the Board composition more generally and agreed that the Board should be reduced in size to 10 (including the Chair, CEO and CFO) to align with company-wide restructure. Following a discussion with each Non-Executive Director and taking into consideration the skills matrix results, Catherine Moukheibir and Dr. Michael Hayden informed the Board that they did not intend to stand for re-election at the next AGM. Following the AGM, the Board will continue to be compliant with the recommendations set out in the Corporate Governance Code and the requirements set out in the Listing Rules.

Board evaluation

Following an externally-facilitated evaluation of the Board's performance in 2021, in December 2023, the Company Secretary conducted an internal evaluation of the Board's performance covering the period from January 2023 to the fourth quarter of 2023. The review process comprised the completion of an anonymous questionnaire covering the various aspects of the activities of the Board and its Committees. Post period-end, the resulting report was discussed at the in-person Board meeting in January 2024. Board members valued the feedback of their peers and the Board has agreed to implement suggestions raised in the report, including for Directors to leverage their networks and share contacts with the CET.

The Board intends to continue to comply with the Corporate Governance Code guidance that the evaluation should be externally facilitated at least every three years and expects to commission the next externally facilitated review in mid-2024.

Workforce Engagement Panel and Designated Non-Executive Director

In compliance with Corporate Governance Code, the Group has an established WEP comprising employees from all levels and functions across the Group. The purpose of the WEP is to enable employees to discuss issues of importance to them and ensure that senior leaders and the Board hear the views of the workforce. Stuart Henderson was appointed as the designated Board representative, to oversee engagement between the Board and the workforce. The WEP met 13 times during 2023 and Mr. Henderson attended 2 of those meetings. Topics covered by the WEP during 2023 included the results of the Company-wide employee engagement survey, "Your Voice"; employee recognition programme; social engagement and activities for employees;

equality, diversity and inclusion initiatives; and acting as Representatives during a formal consultation process regarding a company-wide restructure. During the year, the WEP was pleased to welcome two additional representatives from its US site. During 2024, a re-election of the WEP will be concluded as the existing term of appointment for representatives comes to an end in March 2024.

More details on engagement with WEP is included in the Director's Report on pages 115-121.

Diversity and Inclusion

The Group recognises the importance of diversity and is committed to encouraging equality and diversity among its workforce. The Group aims to create an inclusive working environment based on merit, fairness and respect to enable it to attract and retain the most talented people from all backgrounds and cultures. The Group is also working to achieve a diverse Board and, just as importantly, diverse management teams. Appointments to the Board are based on merit taking into account suitability for the role, composition and balance of the Board to ensure that the Group has the right mix of skills, experience, independence, knowledge and consideration of the Group's strategic objectives.

The Nomination Committee has a formal and rigorous appointment process involving most, if not all, Board members and makes recommendations based on the capabilities of individual candidates, having due regard for the benefits of diversity with no restrictions on age, gender, religion, ethnic background, whose competencies will enhance the Board.

The Group supports the principles of the FTSE Women Leaders Review on gender balance in FTSE leadership. From January to March 2023, the Board comprised 40% women. Following Dr. Frank Mathias' appointment to the Board in late March 2023, the Board comprised 36% women for the period of one month until 1 May 2023 when Leone Patterson joined the Board. The ratio changed further following the 2023 AGM when Dr. Sam Rasty did not stand for re-election. From the end of June 2023, the Board comprised 45% women.

Consequently, as at 31 December 2023 the Board was in compliance with both the recommendations of the FTSE Women Leaders Review and also the recommended target set out in Listing Rule 9.8.6(9)(a)(i) that the Board comprise 40% women. The Remuneration Committee comprised 66% women, the Nomination Committee comprised 50% women and the Audit Committee comprised 66% women in 2023. In addition, both the Remuneration Committee and the Science and Technology Advisory Committee are chaired by women.

The Group believes that members of the Board and senior management should collectively possess a diverse range of skills, expertise and should come from a diverse range of ethnic and societal backgrounds. In terms of the next level of management, as at 31 December 2023, the CET (known as SET until November 2023), excluding the Executive Directors, totalled seven, of which there were two female members. In the gender pay gap report for 2023 (for the full report see the Group's website www.oxb.com), the population at the Head of Department and senior management level was made up of 49% females and 51% males, thereby meeting the FTSE Women Leaders Review's recommendation that 40% of senior leadership roles (defined as the CET (formerly known as SET until November 2023) and their direct reports) be held by women at the end of 2025. Part of the Group's strategy will be to maintain and improve on the targets, so that the objectives of the FTSE Women Leaders Review will continue to be met during 2024/2025.

The Board is aware of the recommendations of the Parker Review on Ethnic Diversity (Parker Review). The Parker Review set a target for FTSE 250 companies to have at least one Board member from a minority ethnic background by 2024. Two of the Group's Directors, Namrata Patel and Leone Patterson identify themselves from ethnic minority background strengthening and diversifying the Board and aligning the Board's composition with both the recommendations of the Parker Review and also the recommendation set out in Listing Rule 9.8.6(9)(a)(iii) that at least one individual of the board of directors is from a minority ethnic background.

As noted above, as at 31 December 2023, the Group met the recommendations set out in Listing Rule 9.8.6(9)(a)(iii) with regard to the representation of female and minority ethnic groups on its Board. Further to this, in line with the requirements of Listing Rule 9.8.6(10) the Group has collated numerical data on the ethnic background and the gender identity or sex of the individuals on the Board and in its CET (known as SET until November 2023) as at 31 December 2023, as set out in the following tables.

Sex of Board and CET members (known as SET until November 2023) as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in executive management	Percentage of executive management
Men	6	55%	4	7	77.78%
Women	5	45%	1	2	22.22%

Ethnic background of Board and CET (formerly known as SET until November 2023) members as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID, and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	81.8%	5	9[1]	100%
Asian/Asian British	1	9.09%	-	-	-
Other	1	9.09%	-	-	-

[1] The data excludes Dr. Ravi Rao who identified himself from ethnic minority background as he has left the business in October 2023.

NOMINATION COMMITTEE REPORT (CONTINUED)

The reference date used by the Group for the collection of the data set out above is the Company's year-end (31 December). During the year, the number in executive management were

The Group collects information on board diversity using the same fields and classifications as set out in the Listing Rules. The data was collected in February 2024 and forms the basis of the disclosures made in this Annual report and accounts.

Compliance with the Corporate Governance Code

The Group considers that it was largely in compliance with the terms of the Corporate Governance Code during 2023 but acknowledges that it did not comply in full throughout the year. The Group has set out in this Corporate Governance Report how it has applied the principles of the Corporate Governance Code and notes that it was in full compliance with the Corporate Governance Code, save as set out below (with reference to the Corporate Governance Code provisions):

Provision 9 – The roles of Chair and Chief Executive should not be exercised by the same individual.	Following John Dawson's announcement that he would step down as CEO at the end of January 2022 and retire from the Board at the 2022 AGM, the Board (following consultation with major shareholders) asked Dr. Roch Doliveux to act as interim CEO whilst remaining as Chair until a new CEO was appointed. In accordance with the provisions of the Corporate Governance Code, the decision to appoint Dr. Doliveux as interim CEO was only taken following consultation with the Company's major shareholders and further explained to all shareholders at the time. The Board's decision to appoint Dr. Doliveux was based on the need for an interim CEO with a proven track record of leading a global company whilst the search for a new permanent CEO commenced. As a result, no risks associated with non-compliance with the Corporate Governance Code were identified as the appointment was short term in nature. Dr. Doliveux stood down when Dr. Frank Mathias joined the Group on 27 March 2023.

Compliance with the Listing Rules

The Group considers that it was largely in compliance with the Listing Rules during 2023 but acknowledges that it did not comply in full throughout the year. The Group has set out in this Corporate Governance Report how it has complied with the Listing Rules, save as set out below.

Listing Rule 9.8.6(9)(a)(i)	Following Dr. Frank Mathias' appointment to the Board in late March 2023, the Board comprised 36% women for the period of one month until 1 May 2023 when Leone Patterson joined the Board.
Listing Rule 9.8.6(9)(a)(ii)	Whilst none of the senior Board positions was held by a woman for the first three months of the 2023, in March 2023, the role of Deputy Chair and Senior Independent Director was split into two separate roles appointing Professor Dame Kay Davies as the Senior Independent Director and appointing Stuart Henderson as Vice Chair, thereby complying with the recommended target set out in Listing Rule 9.8.6(9)(a)(ii).

Share capital

The information about the share capital required by Article 10 of the Takeover Directive is set out in the Directors' Report on page 115

Directors' Remuneration Report

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2023.

This report describes the work of the Remuneration Committee, how it has applied our Remuneration Policy (the Policy) that was approved by shareholders at the 2021 AGM and sets out the Remuneration Committee's proposals for changes to that Policy that will be subject to a binding shareholder vote at the 2024 AGM.

The Annual Report on Remuneration on pages 96-105, along with the remainder of the Directors' Remuneration Report other than the Directors' Remuneration Policy, describes how the Policy has been applied for the period ended 31 December 2023. This will be the subject of an advisory shareholder vote at the 2024 AGM.

Investor engagement and new Policy

We are committed to aligning shareholder and Group interests and maintaining an open and transparent dialogue with our shareholders on Executive Director (Executive) pay. Following the 2023 AGM, we engaged with a number of shareholders to understand their perspectives on our Directors' remuneration arrangements.

As set out in the announcement on 13 December 2023, whilst shareholders are largely supportive of our approach to Executive remuneration, shareholder feedback notably emphasised the need for:-

- enhanced transparency of the components of the bonus, bonus criteria and performance delivered against the targets set;
- the bonus to be based on a smaller number of quantitative and objective metrics;
- the bonus metrics used and bonus out-turn to reflect the overall shareholder experience; and
- a more simplified approach to the bonus / Policy in the future.

In response, the Remuneration Committee has reviewed and revised the Executive bonus criteria, targets and reporting, alongside simplifying the Policy. As set out in more detail on pages 91 and 93, recognising shareholder feedback, the 2024 bonus will be based on a smaller number of quantitative and objective metrics aligned to Oxford Biomedica's pillars for success and at least 50% of the bonus opportunity will be based on financial performance measures.

Further, following the shareholder engagement:-

- the Remuneration Committee, with the agreement of the relevant Executive Directors, and in recognition of the potential for windfall gains, approved a scale-back of all 2023 Long Term Incentive Plan (LTIP) awards. The LTIP awards to newly appointed Senior Executive Team members (renamed Corporate Executive Team (CET) in December 2023) were scaled back by 20% while awards to all other Senior Executive Team members were scaled back by 30%. In addition, the Remuneration Committee approved a scale back of 10% to all other 2023 Oxford Biomedica employee share awards. As a result, the 2023 LTIP award for Dr. Frank Mathias was scaled back from 200% of salary to 160% of salary, and the award for Stuart Paynter was scaled back from 175% of salary to 122.5% of salary. Details of the awards granted and the performance conditions are set out later in this section of the Annual report and accounts.
- Stuart Paynter and John Dawson (our former CEO) also agreed to a reduction of 10% to their overall bonuses earned in respect of 2022 and Dr. Roch Doliveux elected to waive the additional fee of £225,000 previously awarded in recognition for his increased duties and significant time commitment for acting as interim CEO. The impact of these reductions and waiver are detailed later in this section of the Annual report and accounts.

During the second half of 2023 and early 2024 the Remuneration Committee has focused on the review of our Policy, which we will ask shareholders to approve at our AGM on 24 June 2024, in line with the normal three-year lifecycle.

In early 2024, we consulted the Company's top shareholders representing circa. 70% of the share register and the main proxy voting advisory agencies on our Policy proposals. We met with shareholders who wished to discuss the proposals in more detail and responded in writing to those requesting more information. Our major shareholders who provided feedback were largely very supportive of the proposals. As part of the consultation exercise, a number of shareholders requested clarification on the exceptional circumstances for the annual bonus and LTIP and requested reassurance that a dual listing on NASDAQ would not, in isolation, be considered an exceptional circumstance. Taking this feedback into account, we have limited exceptional circumstances to facilitating the recruitment of a new Executive Director; and a significant increase in the size and complexity of the business. The principal Policy changes are summarised below. Other minor changes have been made to reflect the principal changes referred to below and to aid the operation of the Policy.

We also engaged with our major shareholders on the proposed change to increase our "10% in ten years" dilution limit for our share plans to "15% in ten years". As part of the consultation we explained our rationale for this proposed change and we took the feedback provided into account. Further details are set out on page 91.

Our new Policy

The 2021 Policy was developed to ensure that we could recruit a new CEO of the calibre required to shape and deliver the Group's business strategy, recognising that the Group competes for talent in a global market, including in the US and Asia. The 2021 Policy also addressed the significant gap to market practice in the US that we had faced when attracting and retaining Non-Executive Directors.

Our new Policy is proposed in the context of:-

1. feedback provided as part of our shareholder engagement process. Our aim is to align the Group's practices more closely with shareholder expectations whilst recognising that it is critical that we are able to attract and retain the best Executive and Non-Executive talent with the right skills and experience to deliver on the growth aspirations of the business;
2. the appointment of Dr. Frank Mathias as CEO in March 2023, the Group's strategy and the transformation to position OXB as a pure-play CDMO; and
3. the cell and gene therapy industry being at an inflection point. We are in the right market at the right time, and well-equipped to succeed with our highly skilled workforce and leading-edge technology. A significant proportion of cell and gene therapy is based in the US and the US market continues to have significant commercial potential for the Group. We operate in a global talent market and need to pay competitively against CDMO businesses in Europe, Asia and the US.

The key changes proposed to the Policy for Executive Directors are summarised below, with information on the changes to the Policy as regards Non-Executive Directors discussed later in this section of the Annual report and accounts.

- **Simplification:** Moving to a single remuneration framework, the proposed new Policy does not have higher incentive plan limits for an Overseas Executive Director. The ability to grant market value options to Executive Directors has also been removed.
- **Incentive headroom to pay competitively:** Recognising the differences across the UK, the US and wider global markets and the need to align pay competitively within the talent markets in which we operate, under the new Policy:
  - **Annual bonus opportunity:** 75% of salary at target and 2x target at maximum (i.e. a 150% of salary maximum). This is aligned with the current maximum annual bonus opportunity for our CEO and CFO. The new Policy will include flexibility to increase the annual bonus in exceptional circumstances to 100% of salary at target and 200% of salary at maximum. This exceptional circumstance maximum is consistent with the maximum in the 2021 Policy for an "Overseas Executive Director".
  - **LTIP opportunity:** Up to 200% of salary maximum for our CEO and up to 175% for our CFO, aligned with the current maximum LTIP opportunity for our CEO and CFO. The new Policy will include flexibility to increase the LTIP to 400% of salary in exceptional circumstances. Taking into account feedback from shareholders, this exceptional circumstance maximum is a reduction from the 500% of salary in the 2021 Policy for an "Overseas Executive Director".

  For both the bonus and LTIP, exceptional circumstances are: (1) to facilitate the recruitment of a new Executive Director; and (2) in the event of a significant increase in the size and complexity of the business.
- **Annual bonus performance measures:** In line with best practice, the new Policy includes a commitment that at least 50% of the bonus opportunity will be based on financial performance measures. Our approach to setting and reporting bonus criteria and targets will reflect our response to shareholder feedback as described on page 89.
- **Shareholding and bonus deferral:** In the current Policy, Executive Directors are required to defer 50% of any bonus earned (released in three equal tranches over three years). To ensure the new Policy supports the attraction (and retention) of high-quality talent, whilst ensuring that Executive Directors' interests are aligned with those of shareholders, under the new Policy if the in-service shareholding guideline (equal to the Executive Director's normal annual LTIP opportunity) is met, the deferral requirement is reduced to 25% of any bonus earned. During our consultation with shareholders in relation to the new Policy, it was recognised that the our US, European and Asian competitors often pay bonuses 100% in cash, meaning that bonus deferral makes our overall remuneration package less competitive. During the consultation, our major shareholders who provided feedback confirmed that they could support this proposal on the basis that an element of deferral would continue to apply regardless of whether the shareholding guideline has been met.

Non-Executive Directors – simplification and competitive fees

- We need to continue to attract and retain Non-Executive talent with the right skills and experience to deliver on the growth aspirations of the business.
- The current Policy includes additional fee elements for Non-Executive Directors outside the UK / recruited from or based in the US. Reflecting the feedback from shareholders, our intention is to phase out this two-tier approach over the life of the new Policy.
- The proposed new Policy therefore removes this distinction, introducing a simpler structure where fees may be structured on the basis of a base fee with additional fees for additional duties (such as chairing or being a member of a Board Committee, holding other positions such as Vice-Chair or Senior Independent Director) or to reflect additional time commitments taking into account a Non-Executive Director's location.
- Under the new Policy, a proportion of the fees may be subject to a requirement that the after-tax amount will be applied in the acquisition of shares at market value which must be retained for a specified period. In line with the UK Corporate Governance Code, the Chair and Non-Executive Directors do not participate in any of the Group's incentive plans and do not receive any incentive awards geared to the share price or corporate performance.

The full new Policy is set out on pages 105-114 of this section of the Annual report and accounts.

2023 remuneration decisions in the context of our business performance and outcomes for our key stakeholders

The Remuneration Committee has, as usual, considered Executive remuneration in the light of outcomes for the wider workforce, our shareholders and other stakeholders by taking a fair, prudent and balanced approach to remuneration. In 2023,

- the financial performance was impacted by the non-recurrence of COVID-19 vaccine bioprocessing volumes and a one-off impairment to the US business as a result of the termination of revenues from Homology.
- as part of its evolution into a pure-play cell and gene therapy CDMO, OXB has implemented extensive cost management initiatives.
- OXB 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, compared to £85 million in the year ended 31 December 2022 (excluding COVID-19 vaccine manufacturing).
- OXB continued to grow and diversify its CDMO portfolio, which now consists of 38 client programmes at various stages of clinical development. This increased maturity with multiple programmes moving into and progressing through the clinic in 2023,

is also a result of the Group's efforts to allocate resources towards areas of higher value and success in supporting its clients progress their programmes into the clinic, as part of the Group's new commercial strategy.
- OXB also continued to successfully develop existing client relationships globally with 50% of clients working with the Group on more than one programme.
- OXB's order book has grown by more than 50% over the year, with a robust growing business pipeline across all key vector types and clinical stages.
- OXB has implemented the necessary restructuring to exit all non-CDMO activities and has strengthened operations in the UK, the US and the EU with the acquisition of ABL Europe (recently renamed Oxford Biomedica (France)) from Institut Mérieux which completed on 29 January 2024. Commercial capabilities have also significantly expanded increasing business development activities to open up potential revenue opportunities.

In addition, OXB's mission to facilitate the delivery of life-changing therapies is deeply embedded in its business focus and practices and are proud of our inclusion in the FTSE4Good index. Further details of our operational highlights in 2023 are set out on pages 6-7.

2023 Executive Director remuneration and variable pay outcomes

Dr. Frank Mathias' was appointed on a base salary of £610,000 reflecting his experience and track record of success running both an innovative biopharma company and a high-performing CDMO.

Stuart Paynter's salary was increased by 3% with effect from 1 January 2023. This increase was within the range of increases awarded to the wider workforce and below the Group's overall 5% budget for salary increases in 2023.

As later described in this section of the Annual Report and accounts, our overall performance in the year resulted in the corporate objectives for the 2023 annual bonus being achieved at 55% of maximum and the personal objectives for Stuart Paynter's bonus being assessed at 50% of maximum. However, notwithstanding the overall performance in the year, since the financial underpin was not achieved, the Remuneration Committee determined that no bonuses would be paid in respect of 2023.

In line with the requirements of the reporting regulations, the single total figure of remuneration for 2023 includes the vesting outturn of the following LTIP awards.

Grant	Performance Condition	Vesting outturn
26 June 2020	50%: revenue growth measured over the three years ended 31 December 2022	Estimated vesting outturn of 100% included in the 2022 single total figure of remuneration. The vesting outturn was confirmed when the award vested in June 2023.
	50%: share price targets assessed to 26 June 2023	This element lapsed in June 2023 as the threshold level of share price performance was not achieved.
8 June 2021	40%: relative TSR over the three year period to 8 June 2024	The vesting of the relative TSR element of the 2021 LTIP award will be included in the single total figure of remuneration for 2024.
	40%: revenue growth measured over the three years ended 31 December 2023	The threshold level of performance was not achieved and this element of the award lapsed.
	20%: strategic milestones based on achievement of four strategic goals (1) Rebalancing the Hybrid Model; (2) Evolving the CAR-T Business; (3) Expansion of Capabilities into Alternative Vector Types; and (4) Building of Academic Collaborations, each accounting for 5% of the total Award.	Two out of four of the strategic milestones were achieved therefore 50% of the strategic element (10% of the overall awards) has vested. Further details can be found on pages 98-100.

Implementation of the new Policy in 2024

- **Base salary increases:** For 2024, having regard to the approach to remuneration across the wider workforce, base salaries for the Executive Directors will be maintained at the same level that applied in 2023.
- **Annual bonus:** No change to the maximum annual bonus opportunity of 150% of salary. Recognising shareholder feedback, the bonus will be based on a smaller number of quantitative and objective metrics aligned to Oxford Biomedica's pillars for success. In line with the new Policy, 50% of the bonus will be based on financial measures with the balance based on metrics aligned with the pillars of Delivery, People, and Commercial and Transformation and Integration. Further information on the annual bonus measures and weightings in set out in the 'Remuneration at a glance' section on page 93. The forward looking bonus targets are commercially sensitive as they could provide our competitors with insights into our plans. In line with market practice, we will adopt a more transparent approach to the disclosure of the target ranges and performance delivered in the 2024 Directors' Remuneration Report.
- **LTIP opportunity:** No change to the maximum LTIP opportunity of up to 200% of salary for the CEO and up to 175% of salary for the CFO. However, taking into account OXB's volatile share price, the detail of the number of shares under award will be determined closer to the grant date, having regard to the then prevailing share price.
- **LTIP metrics:** For 2024, it is proposed that the LTIP metrics will be 40% revenue, 40% EBITDA and 20% non-financial measures aligned with the Group's leading performance indicators. The decision to replace the relative TSR metric with an EBTIDA metric has been considered very carefully by the Remuneration Committee recognising the difficulty in identifying an appropriate comparator group, given the very limited number of relevant listed CDMO businesses. The Remuneration Committee was also mindful that the delivery of appropriately stretching revenue and EBITDA targets is aligned with our growth aspirations and

the creation of long-term sustainable value for shareholders. In line with market practice, the target ranges are set out in the 'Remuneration at a glance' section on page 93.

- **Treatment of materially significant transactions:** As part of the shareholder consultation we confirmed that if a materially significant transaction (for example an acquisition, disposal, share issuance or fund raising) were to take place, the Remuneration Committee would consider applying discretion to adjust the incentive plan targets so that:

1. performance is measured on a fair and equitable 'like-for-like' basis (i.e. performance will be assessed against the base plan and the cash available at the time of setting the targets, excluding capital from a share issuance);
2. any significant transaction does not result in the targets being materially more or less difficult to satisfy;
3. management are appropriately rewarded for transactions that are in line with the Group's strategy and not disincentivised from doing the right thing for the business at the right time; and
4. retrospective adjustments are not made as a result of general changes in market conditions or general market movements.

This is intended to ensure bonus and LTIP pay-outs support building long-term sustainable shareholder value.

Share plans renewal

Our current employee share plans were adopted in 2015 and expire in 2025. To coincide with the renewal of the Policy, we are seeking shareholder approval for new plans which reflect the new Policy and typical practice. Summaries of the principal terms of the new plans will be included in the Notice of AGM.

Our current plans include a "10% in 10 years" dilution limit on the use of new issue shares and treasury shares. Aligning the interests of our Executive Directors and our wider workforce with the interests of shareholders by rewarding them in equity is of fundamental importance to Oxford Biomedica and reflected in the broad-based operation of our plans. This, together with the importance of the US talent market where equity participation is an expectation, means that the "10% in 10 years" limit is unduly restrictive. Taking this into account, the new plans include a "15% in 10 years" limit to ensure that we have flexibility over the life of the new plans to enable us to incentivise and retain the employees who are key to delivery of long term sustainable performance, including those below the Executive Director level, whilst at the same time giving us the flexibility to settle awards in the most appropriate way taking into account all relevant considerations, including cash cost and dilution. As part of our consultation with shareholders in relation to the new Policy, we discussed that we have sought to manage dilution in recent years by the scaling back of awards to reflect share price falls (the Notice of AGM will contain further details). Our ability to grant LTIP awards to key executives and the wider workforce is critical to our ability to attract and retain high calibre individuals in an increasingly competitive market and to remunerate executives fairly and responsibly. We appreciate that this limit is higher than the current UK guidelines. However, it is below the accepted level of dilution in the US where the proxy guidance provides for equity plan dilution limits in excess of 15% for companies in our sector. Taking into account the feedback provided from shareholders, we have provided assurance that:-

- the 2024 equity grants will be within the current 10% in ten year limit;
- we will continue to manage dilution by the scaling back of awards, where appropriate, taking into account the share price when awards are granted, alongside careful consideration of eligibility for the equity plans; and
- our intention is that a 15% in ten year limit would not be permanent. During the ten-year life of the new shares plans our intention would be to revert to operating within a 10% in ten year limit, where feasible.

Our major shareholders who provided feedback confirmed they are supportive of this proposed 15% dilution limit on this basis. Further information in relation to the new share plans will be included in the Notice of AGM.

Conclusion

The Remuneration Committee would like to thank the shareholders who have engaged with the Group during 2023 and 2024 in relation to our approach to Directors' remuneration.

The decisions made as regards remuneration earned in respect of 2023 and the proposals for 2024 demonstrate our commitment to ensuring that Executives' reward is aligned with performance and the outcomes for all our stakeholders.

We look forward to receiving your support at our 2024 AGM, where I and other Remuneration Committee members will be available to answer any questions that you have.

Heather Preston

Chair of the Remuneration Committee

Remuneration at a Glance

Actual remuneration of Executive Directors for 2023

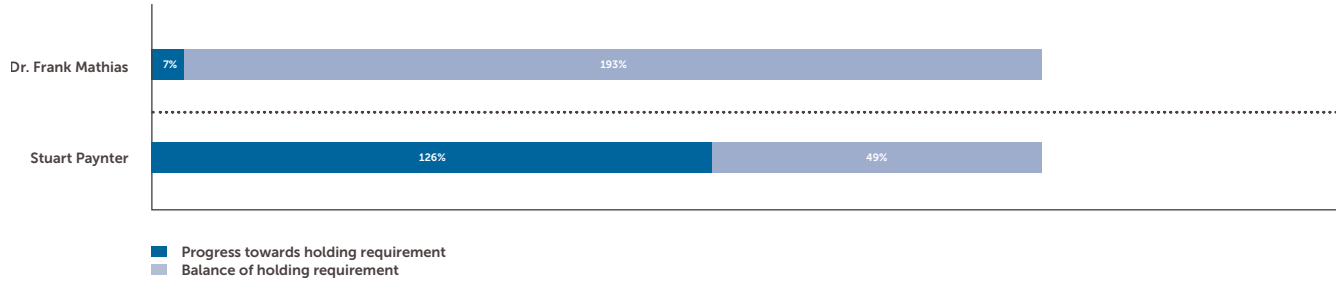
	CEO – Dr. Frank Mathias	CFO – Stuart Paynter
Base salaries	2023 - £610,000 Annualised base salary from date appointed to the Board on 27 March 2023 reflecting his experience and track record of success running both an innovative biopharma company and a high-performing CDMO.	2023 - £351,230 2022 - £341,000
Pension	7.5% of salary in line with the wider workforce	
Annual Bonus - maximum opportunity for 2023	2023: 150% of salary	2023: 150% of salary
Bonus earned for 2023	Notwithstanding the overall performance in the year, since the financial underpin was not achieved, the Remuneration Committee determined that no bonuses would be paid in respect of 2023.	
LTIP vesting in respect of 2023	Dr. Frank Mathias did not hold an LTIP capable of vesting by reference to a performance period ending in 2023.	The threshold share price target for 50% of the LTIP granted 26 June 2020 was not achieved based on performance to 26 June 2023. This element of the 2020 LTIP grant therefore lapsed in June 2023. The strategic milestone element for 20% of the LTIP granted 8 June 2021 vested at 50% (10% of the overall award)– see pages 98-100 for further details.
Single Figure total for 2023	**£520,000**	**£400,000**

LTIP awards granted to Executive Directors in 2023

	CEO – Dr. Frank Mathias	CFO – Stuart Paynter
LTIP granted in 2023	2023: LTIP award for 2023 was scaled back from 200% of salary to 160% of salary	2023: LTIP award for 2023 scaled back from 175% of salary to 122.5% of salary

Shareholding of Executive Directors as at 31 December 2023

This chart illustrates the value of shares held by the Executive Directors as at 31 December 2023 (based on the year end share price of £2.20) against the share ownership guidelines of 200% of salary for the CEO and 175% of salary for the CFO. Dr. Frank Mathias joined the Company in March 2023 and therefore will build up his holding over time. In September 2023, he acquired 20,000 shares. Stuart Paynter's shareholding as a number of shares has increased by c. 155% over the last three years (from 78,604 shares to 200,409 shares).



DIRECTORS' REMUNERATION REPORT (CONTINUED)

How OXB intend to implement the new Policy for 2024

Element	CEO – Dr. Frank Mathias	CFO – Stuart Paynter			
Base salary from 1 January 2024	£610,000 (No increase)	£351,230 (No increase)			
Pension	7.5% of salary in line with the wider workforce				
Annual bonus	Target annual bonus opportunity is 75% of base salary and the maximum annual bonus opportunity is 150% of base salary (2x target).				
Annual bonus measures for 2024	**Financial (Revenue and EBITDA)** **50%**	**People** **(Turnover and Engagement)** **10%**	**Commercial** **(Order volume and client satisfaction)** **20%**	**Transformation and Integration** **10%**	**Delivery and quality** **10%**
	The forward looking bonus targets are commercially sensitive as they could provide our competitors with insights into our plans. In line with market practice, and reflecting our response to shareholder feedback as described on page 89, a more transparent approach to the disclosure of the target ranges and performance delivered will be adopted in the 2024 Directors' Remuneration Report.				
Long-term incentive (granted under the LTIP)	Up to 200% of salary	Up to 175% of salary			
	It is intended that the 2024 LTIP awards will be granted in the 42 days following the 2024 AGM. The Remuneration Committee will finalise the quantum of the LTIP awards to be granted for 2024 when the award is granted having regard to share price performance at that time.				
LTIP measures assessed over the three-year performance period	**Compound Annual Revenue Growth (CAGR) based on the growth in the Company's Revenue between 2023 and 2026 (40%)**	**2026 EBITDA margin (40%)**	**Non-financial leading performance indicators (20%)**		
	Threshold vesting 25%: **25%** CAGR over a three-year performance period. Maximum vesting: **45%** CAGR over a three-year performance period.	Threshold vesting 25%: **10%** 2026 EBITDA margin. Maximum vesting: **30%** 2026 EBITDA margin	Once determined, further details will be included at the date of grant and in the 2024 Remuneration Report		
LTIP holding requirements	A two-year holding period applies following the three-year performance period.				
Shareholding guideline In-employment	200% of salary	175% of salary			
Post-employment	100% of the in-service share ownership requirement, with the required holding tapering to zero over a two-year period.				
Malus and clawback	Malus and clawback provisions apply to the LTIP and deferred bonus awards as set out in the Policy. Clawback applies to the annual bonus awards as set out in the Policy.				

Non-Executive Directors – implementation of the Policy in 2024

The current Policy includes additional fee elements for Non-Executive Directors outside the UK / recruited from or based in the US. Reflecting the feedback from shareholders, the intention is to phase out this two-tier approach over the life of the new Policy. The Board agreed that, from 1st February 2024, until the 2025 AGM, all Non-Executive Director remuneration be limited to the base fee with no additional travel fee for North American Non-Executive Directors. In addition, no additional fee would be provided to North American Non-Executive Directors for the purchase of shares in market during 2024. Fees for chairing a Committee or holding the role of Vice Chair / SID would continue to be paid. To ensure Non-Executive Directors' fees remain competitive, they will be reviewed further in advance of the 2025 AGM.

	2023 level	2024 level
Base fee	£65,000	£65,000
Additional fee for holding the office of Senior Independent Director	£10,000	£10,000
Additional fee for holding the position of Vice-Chair	£10,000	£10,000
Additional fee for holding the position of Chair of the Remuneration Committee	£10,000	£10,000
Additional fee for holding the position of Chair of the Audit Committee	£10,000	£10,000
Additional allowance in recognition of the extra time commitment required for travel on Company business and/or additional time commitment where NED is based in a different time zone (where applicable).	£15,000 (paid to Non-Executive Directors based outside the UK)	Not applicable for 2024 up to 2025 AGM.

For 2024, Non-Executive Directors recruited from or based in the United States will not receive an additional fee of £50,000 per annum.

The Chair of the Board's fee for 2024 will remain at the level of £225,000. In line with the UK Corporate Governance Code, the Chair and Non-Executive Directors do not participate in any of the Group's incentive plans and do not receive any incentive awards geared to the share price or corporate performance.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Annual Report on Remuneration

Remuneration Committee role and members

The responsibilities of the Remuneration Committee are set out in its terms of reference which are available on the Group's website.

The Remuneration Committee members during 2023 comprised Dr. Heather Preston (Chair), Stuart Henderson, Professor Dame Kay Davies and, following the appointment of Dr. Frank Mathis as CEO with effect from 27 March 2023, Dr. Roch Doliveux. Other Directors are invited to attend meetings on an agenda driven basis. The attendance of Directors at Committee meetings is set out in the Corporate Governance Report on pages 73-121

Remuneration Committee activities during 2023

During 2023, the Remuneration Committee met 11 times. The main activities and decisions included: assessment of 2022 goals and approval of 2023 goals; review of Executive Director compensation and and Chair of the Board fees, with the Board having reviewed the fees for other NEDs; LTIP outturns; review and approval of the Directors' Remuneration Report; approval of grant of annual share awards; shareholder engagement post the AGM: review of the Remuneration policy and share plan rules and review of wider workforce pay and gender pay gap.

Engagement with shareholders

As detailed in the statement from the Remuneration Committee Chair, in accordance with Provision 3 of the Corporate Governance Code, the Chair of the Remuneration Committee has engaged with shareholders on significant matters related to Board remuneration. The Chair of the Remuneration Committee contacted and met with a number of shareholders ahead of the 2023 AGM, and has engaged with shareholders in connection with the development and finalisation of the new Policy, as referred to below. In accordance with Provision 4 of the UK Corporate Governance Code, following the 2023 AGM, the Chair of the Remuneration Committee engaged with those shareholders who voted against the resolution to approve the Directors' Remuneration Report, to understand their views, and noted that shareholders were largely supportive of the Company's approach to Executive Remuneration. The points highlighted in the shareholder feedback and the way in which the Remuneration Committee has addressed those points (including the overall simplication of the Remuneration Policy as part of its triennial review) are described in the Remuneration Committee Chair's statement on pages 89-92, reflecting the overall aim of aligning the Group's practices more closely with shareholder expectations.

In addition, in early 2024, the Chair of the Remuneration Committee reached out to shareholders to canvass their views on proposed changes to the Remuneration Policy, enabling shareholders recommendations to be considered ahead of finalising the new Policy.

The Chair of the Remuneration Committee is available to discuss matters with shareholders throughout the year.

Single total figure of remuneration

(audited)

The following table shows the single total figure of remuneration for 2023 for the Directors and comparative figures for 2022. During 2023, Dr. Roch Doliveux was Non-Executive Chair for the majority of the year and interim CEO for part of the year. Accordingly, he has been included in the Non-Executive Director section of the table below. Robert Ghenchev elected to receive no remuneration for his services as a Director.

		Salary/fees £'000	Benefits[1] £'000	Bonus £'000	LTIP[2] £'000	Pension[3] £'000	Total £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Executive Directors									
Dr. Frank Mathias[4]	**2023**	**458**	**28**	**-**	**-**	**34**	**520**	**520**	**-**
	2022	-	-	-	-	-	-	-	-
Stuart Paynter	**2023**	**351**	**12**	**-**	**11**	**26**	**400**	**389**	**11**
	2022	341	11	386[5]	69	51	858	403	455
Former Executive Directors									
John Dawson	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	189	5	219[5]	125	28	566	222	344
Non-Executive Directors[6]									
Dr. Roch Doliveux	**2023**	**225**	**-**	**-**	**-**	**-**	**225**	**225**	**-**
	2022	225[7]	-	-	-	-	225	225	-
Stuart Henderson	**2023**	**85**	**-**	**-**	**-**	**-**	**85**	**85**	**-**
	2022	85	-	-	-	-	85	85	-
Dr. Heather Preston	**2023**	**140**	**-**	**-**	**-**	**-**	**140**	**140**	**-**
	2022	140	-	-	-	-	140	140	-
Dr. Sam Rasty[8]	**2023**	**64**	**-**	**-**	**-**	**-**	**64**	**64**	**-**
	2022	130	-	-	-	-	130	130	-
Professor Dame	**2023**	**73**	**-**	**-**	**-**	**-**	**73**	**73**	**-**
Kay Davies[9]	2022	65	-	-	-	-	65	65	-
Dr. Michael Hayden	**2023**	**130**	**-**	**-**	**-**	**-**	**130**	**130**	**-**
	2022	130	-	-	-	-	130	130	-
Catherine Moukheibir	**2023**	**115**	**-**	**-**	**-**	**-**	**115**	**115**	**-**
	2022	140	-	-	-	-	140	140	-
Namrata Patel[10]	**2023**	**65**	**-**	**-**	**-**	**-**	**65**	**65**	**-**
	2022	47	-	-	-	-	47	47	-
Leone Patterson[11]	**2023**	**87**	**-**	**-**	**-**	**-**	**87**	**87**	**-**
	2022	-	-	-	-	-	-	-	-
Total	**2023**	**1,793**	**40**	**-**	**11**	**60**	**1,904**	**1,893**	**11**
	2022	1,492	16	605	194	79	2,386	1,587	799

1 Benefits comprise medical insurance, the provision of a car allowance and, in the case of Dr. Frank Mathias, an annual allowance of £35,000 agreed in order to secure his recruitment as referred to in the 2022 Directors' Remuneration Report.

2 The LTIP values comprise the Performance Shares Awards vesting by reference to performance in the relevant year. In the case of the 2022 value for Stuart Paynter and John Dawson, in the 2022 Directors' Remuneration Report the values were calculated by reference to the average share price over October, November and December 2022 of 356p and an estimated vesting outturn of 100%. The Remuneration Committee confirmed the vesting outturn of 100% on 3 July 2023 after having considered the underpin condition that awards only vest if the Remuneration Committee considers that the overall performance of the business across the period justifies it. In line with the applicable regulations, the values in the single total figure table have been updated to reflect the price of 439p at vesting on 26 June 2023. In the case of the 2023 value, this relates to the estimated vesting outturn of the portion of the LTIP granted to Mr. Paynter on 8 June 2021 which is subject to the strategic milestones performance condition. This has been calculated by reference to the average share price over October, November and December 2023.

3 Pension contributions are made into the Group's defined contribution scheme, or at the election of the Director, as a cash allowance in lieu of a company pension contribution. Each Executive Director elected to receive a cash allowance.

4 Dr. Mathias joined the Board on 27 March 2023.

5 The 2022 Directors' Remuneration Report reported that, in respect of 2022, Mr. Paynter had earned a bonus of £429,000 and that Mr. Dawson had earned a bonus of £243,000. On 13 December 2023 it was announced that each had agreed to a 10% reduction in their bonus. In the table above, the 2022 figures have been restated accordingly.

6 The Non-Executive Directors' remuneration consists of fees only.

7 The 2022 Directors' Remuneration Report reported that Dr. Doliveux's fee in respect of 2022 included an additional £225,000 to be paid to him in recognition of the additional time commitments from 28 January 2022 to 31 December 2022, the after tax amount of which would be applied in the acquisition of shares at market value. It was announced on 13 December 2023 that Dr. Doliveux elected to waive this additional fee. In the table above, the 2022 figure has been restated accordingly.

8 Dr. Sam Rasty retired from the Board with effect from 23 June 2023.

9 Professor Davies became Senior Independent Director when the role of Deputy Chair and Senior Independent Director was divided into two roles.

10 Namrata Patel was appointed to the Board with effect from 13 April 2022.

11 Leone Patterson was appointed to the Board with effect from 1 May 2023.

2023 Annual Bonus

(audited)

Each of Dr. Frank Mathias and Stuart Paynter were eligible to earn a bonus of up to 150% of salary for 2023, subject to the satisfaction of performance objectives, with Dr. Frank Mathias' bonus opportunity calculated on a pro-rata basis for the period from his appointment on 27 March 2023.

Dr. Mathias' bonus was based solely on Group objectives. Mr. Paynter's bonus was based on Group objectives as regards 80% of the opportunity and personal objectives as regards 20% of the opportunity.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

In January 2024, the Remuneration Committee met to consider the achievement of the 2023 objectives. Based on performance against the corporate objectives set, the Remuneration Committee assessed the outturn at 55%. However, due to the financial underpin not being achieved, the Remuneration Committee determined that no bonuses would be paid to either Director in respect of 2023. Information in relation to the objectives and performance against them is set out below.

Group objectives element

Performance against the applicable Group objectives for 2023 was as follows:

Objective	Headlines	Weighting	Outturn
Growth	Objectives were set to achieve the revenue, EBITDA and cash targets in the 2023 budget, order book / backlog targets, improving productivity and customer satisfaction and the proposition to increase the service catalogue. The 2023 budget targets were not met whilst the productivity and proposition targets were partially met. The order book / backlog and customer satisfaction targets were met in full.	40%	20%
Innovation	Innovation targets were set around technology and platform to directly connect research and development activity with customer challenge and market needs as well as collaboration targets to share knowledge across functions and sites. The technology and platform target was met in full whilst the collaboration target was partially met.	20%	15%
People	People objectives were set to connect people to the Group's purpose, develop employees, and retain highest performers. All three People objective were partially met.	20%	10%
Corporate	Corporate objectives were set included establishing TherapyCo, mitigating the risk of Brexit in OXB's abilities to continue to serve customers and strengthening the relationship with US and other institutional shareholders following the Group's strategic shift to becoming a 100% CDMO business. The TherapyCo business was not established and therefore not met, the Brexit preparedness objective was exceeded and the investor relations was partially met.	20%	10%
Total		**100%**	**55%**

Personal objectives element – Stuart Paynter

The personal element of the bonus for Mr. Paynter was assessed by reference to the achievement of clear personal objectives and targets, which supported the strategic objectives of the business. The objectives and targets are considered by the Group to be commercially sensitive, as they will give the Group's competitors insight into its strategic plans, and so are not disclosed in detail. However, the principal areas of his personal objectives related to supporting the rightsizing activity, preparation for the acquisition of ABL Europe (renamed Oxford Biomedica (France) on 22 March 2024), providing 3-year financial guidance and increasing awareness amongst investors in the US and the Europe. The personal objectives for Stuart Paynter were assessed at 50% of maximum. However, notwithstanding the overall performance in the year, since the financial underpin was not achieved, the Remuneration Committee determined that no bonuses would be paid in respect of 2023.

Performance Shares Award vesting in respect of performance in 2023

(audited)

Stuart Paynter was granted a Performance Shares Award in 2020. The performance conditions were based on growth in revenue between 2019 and 2022 as regards 50% of the award and growth in share price over the three years starting with the date of grant as regards 50% of the award.

The estimated vesting value of the 50% of the award based on growth in revenue was included in the single total figure of remuneration for 2022 and has been confirmed as referred to in the note to the single total figure table.

The performance condition for the 50% of the award based on share price growth was assessed in June 2023; as set out below the threshold level of performance was not achieved and this portion of the award lapsed.

Compound annual growth rate of the Company's share price over the three year period starting with the date of grant[1]	Percentage of the award subject to the share price performance condition that will vest
Less than 10%	0%
10% (i.e. 33.1% over three years)	25%
Between 10% and 17.5%	Calculated on a straight line basis between 25% and 100%
17.5% or more (i.e. 62.2% over 3 years)	100%

[1] The starting price is 760p being the average share price over the five business days ending with the date of grant.

Over the three-year performance period, the Company's share price fell. Therefore, the threshold level of the share price performance was not achieved, and this element of the award granted in 2020 lapsed. Accordingly, no value is included in the 2023 single total figure of remuneration in respect of this element of the award.

Award vesting in respect of performance in 2023 – award granted in 2021

Stuart Paynter was granted a Performance Shares Award in 2021. The performance conditions were based on relative TSR performance (as regards 40% of the award), growth in revenue between 2020 and 2023 as regards 40% of the award and strategic milestones as regards 20% of the award.

The relative TSR performance condition will be assessed in June 2024 and the vesting outturn in respect of that element will be confirmed in the 2024 Directors' Remuneration Report.

The revenue growth performance condition was as follows:

Compound annual growth rate of the Company's revenue between 2020 and 2023	Percentage of the award subject to the share price performance condition that will vest
Less than 15%	0%
15%	25%
More than 15% but less than 30%	Determined on a straight line basis between 25% and 100%
30% or more than 30%	100%

Over the three-year performance period, the compound annual growth rate of the Group's revenue was 1% resulting in an estimated vesting outturn of 0%.

The strategic milestones performance condition was based on four elements, each with an equal weighting. The elements and the performance outturn were as follows:

Rebalancing the Hybrid Model element: Number of products in clinic by the end of the performance period	Evolving the CAR-T Business element: Progression of strategic alliances by the end of the performance period	Expansion of Capabilities into Alternative Vector Types element: Progression of the AAV business by the end of the performance period	Building of Academic Collaborations element: Collaboration agreements signed with leading (STAC endorsed) universities or research institutes by the end of the performance period	Percentage of the Performance Shares Award subject to the element that Vests
One product in clinic	At least one strategic alliance signed	AAV partnership signed	Single asset partnership with leading (STAC endorsed) university or research institute	25%
Two products in clinic	Lead candidate identified	AAV GMP batches released	Multiple asset partnership with leading (STAC endorsed) university or research institute	50%
More than two products in clinic	Lead candidate in IND-enabling studies	AAV GMP batches released + In-licensing or filing two or more inventions (patents or know how) to build technical differentiation for AAV services. For these purposes whether a technology is patented or kept as know-how is documented at the IP Management Committee	Single or multiple asset partnerships across 2 or more leading (STAC endorsed) university or research institute	100%
Not achieved (0% vesting)	Not achieved (0% vesting)	Achieved (100 % vesting) 9 Partnerships signed 7 AAV, 4 Drug Product GMP batches were made for Homology, and all these were released, and 10 patents filed.	Achieved (100% vesting) The Company signed and is funding two projects with the University of Oxford under the Medical and Life Sciences Translational Fund (MLSTF) to develop two products.	Partly achieved. (10% overall vesting)

Overall, performance against the milestones resulted in an estimated vesting outturn of 10%.

For the purposes of the single total figure of remuneration for 2023, the value of these awards is calculated as follows.

Executive Director	Shares subject to award	Shares subject to the revenue performance condition	Estimated vesting outturn of the element of the award subject to the revenue performance condition	Estimated number of shares that will vest by reference to the revenue performance condition
Stuart Paynter	47,966	19,186	0%	0

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Executive Director	Shares subject to award	Shares subject to the strategic milestones performance condition	Estimated vesting outturn of the element of the award subject to the strategic milestones performance condition	Estimated number of shares that will vest by reference to the strategic milestones performance condition
Stuart Paynter	47,966	9,594	50%	4,797

Executive Director	Estimated total number of shares that will vest	Value of the shares included in the single total figure of remuneration[1]
Stuart Paynter	4,797	£10,505

[1] The award will not vest until the relative TSR performance condition has been assessed. In line with the applicable regulations, the share price for these purposes is taken to be the average share price over October, November and December 2023, being 219p. As that average share price is less than the share price at the date of grant of the awards (1131p), the value is not split between that attributable to the share price at grant and that attributable to growth in share price.

The award is also subject to a performance underpin, such that it would vest only to the extent that the Remuneration Committee considers that the overall performance of the business across the period justifies it. The Remuneration Committee will review performance against this underpin following the end of the TSR performance period.

Dr. Frank Mathias did not hold a Performance Shares Award capable of vesting by reference to a performance period ending 2023.

Performance Shares Awards granted under the LTIP during 2023

On 4 October 2023, Frank Mathias and Stuart Paynter were awarded Performance Shares Awards under the LTIP as follows:

	Basis of award (% of salary)	Number of shares under award	Face value of grant
Dr. Frank Mathias	160%	323,178	£976,000
Stuart Paynter	122.5%	142,469	£430,256

As noted in the statement from the Remuneration Committee Chair, Dr. Frank Mathias' LTIP award for 2023 was scaled back to 160% of salary and Stuart to 122.5% of salary. The number of shares under award was calculated by reference to the average share price of 302p in the five business days prior to the date of the award.

The awards are nil cost options and are subject to a three-year vesting period. They are subject to the achievement of the performance conditions based on relative Total Shareholder Return, growth in revenue and strategic milestones described below.

TSR and Revenue performance conditions (40% each of the award)

Vesting amount	TSR[1] – Relative TSR performance (40% of the award)	Revenue[2] – compound annual growth rate (40% of the award)
0%	Below median	Less than 15%
25%	Median	15%
100%	Upper quartile	30%

[1] Company's TSR over a three-year performance period relative to the TSR performance of companies in the S&P 1500 Pharma Biotech and Life Sciences index and the STOXX Europe TM Pharma & Biotech index. TSR will be assessed over a three-year period from the date of grant of the awards, with a three-month averaging period applied.
[2] Assessed over the three financial-year performance period 2023–2025.

Strategic milestones performance conditions (20% of the award)

A performance underpin also applies, such that the award will only vest to the extent that the Remuneration Committee considers that the overall performance of the business across the period justifies it.

The measures and targets relating to these performance conditions are commercially sensitive and will be disclosed when this is no longer the case, and no later than when the awards vest. The measures are aligned with the Group's strategy with the level of vesting determined by reference to the achievements, with 25% vesting for delivery of a threshold milestone.

Although the award will vest following the assessment of the performance period (subject to satisfaction of the performance conditions), it cannot be exercised until the end of a further holding period of two years.

Statement of Directors' shareholding and share interests

(audited)

The Remuneration Committee has adopted a shareholding guideline for the Executive Directors, which specifies a shareholding equivalent to their normal annual LTIP opportunity (200% of base salary in the case of Dr. Frank Mathias and 175% of salary in the case of Stuart Paynter).

The value of the shares as at 31 December 2023 has been determined based on a share price of 220p (being the prevailing closing share price on 29 December 2023). Under this criteria Dr. Mathias and Mr. Paynter are working towards meeting this guideline with further information included in the 'Remuneration at a Glance' section on page 93.

The interests in shares of the Directors who served during the year as at 31 December 2023 were as set out below. There have been no changes in these interests between 31 December 2023 and the date on which this Directors' Remuneration Report was finalised.

	Shares held outright		Vested but unexercised options		Deferred bonus plan not yet exercisable		Unvested Performance Shares Awards subject to performance conditions	
Executive Directors	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Dr. Frank Mathias	20,000	n/a	-	n/a	-	n/a	323,178	n/a
Stuart Paynter	18,687	14,657	251,676	172,057	91,197	46,349	286,535	175,566
Non-Executive Directors								
Dr. Roch Doliveux	371,805	335,675	-	-	-	-	-	-
Stuart Henderson	10,862	9,862	-	-	-	-	-	-
Dr. Heather Preston	18,298	11,614	-	-	-	-	-	-
Robert Ghenchev[1]	-	-	-	-	-	-	-	-
Dr. Sam Rasty[2]	11,614	11,614	-	-	-	-	-	-
Professor Dame Kay Davies	1,000	-	-	-	-	-	-	-
Dr. Michael Hayden	39,973	11,289	-	-	-	-	-	-
Catherine Moukheibir	25,287	11,846	-	-	-	-	-	-
Namrata Patel	9,170	7,500	-	-	-	-	-	
Leone Patterson	12,447	n/a	-	-	-	-	-	-

[1] Mr. Ghenchev is Head of Growth Equity at Novo Holdings which has a holding of 12,048,802 shares as at 15 April 2024.
[2] Dr. Sam Rasty retired from the Board with effect from 23 June 2023 and his 2023 number of shares is as at that date.

During 2023, the following options have been awarded, vested and lapsed:

LTIP	Unvested at 1 January 2023	Vesting during 2023	Lapsed during 2023	Awarded during 2023	Unvested at 31 December 2023
Dr. Frank Mathias	n/a	n/a	n/a	323,178	323,178
Stuart Paynter	175,566	15,750	15,750	142,469	286,535

Deferred bonus	Not exercisable at 1 January 2023	Becomes exercisable during 2023	Awarded during 2023	Not exercisable at 31 December 2023
Dr. Frank Mathias	n/a	n/a	n/a	n/a
Stuart Paynter	46,349	19,021	63,869	91,197

The Deferred bonus award granted to Stuart Paynter during 2023 is a nil-cost option under the Deferred Bonus Plan granted on 4 October 2023 in respect of the deferred portion of his bonus earned for 2022 which will vest as to one third of the shares subject to it on each of the first three anniversaries of the grant date. During 2023, neither Stuart Paynter nor Dr. Frank Mathias exercised any options.

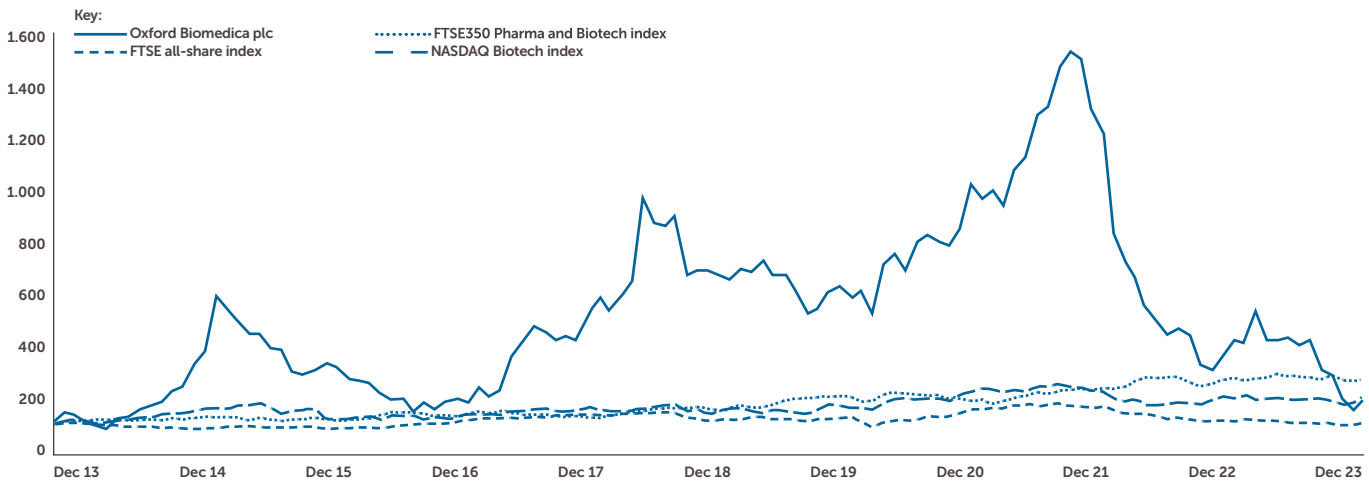
Payment to past Directors and payments for loss of office

(audited)

No payments to past directors or payments for loss of office were made in the year.

Performance graph and comparison with CEO's remuneration

The chart below illustrates the Company's TSR performance since January 2014 relative to the FTSE all-share index, the FTSE350 Pharma and Biotech index and the NASDAQ Biotech index. The FTSE all-share index has been selected because it represents a broad-based measure of investment return from equities. The FTSE350 Pharma and Biotech index, comprising Pharma and biotech companies listed in the UK and are constituents of the FTSE350 index, and the NASDAQ Biotech index in the United States (NASDAQ Biotech) market, provide further benchmarks that are more specific comparators.



DIRECTORS' REMUNERATION REPORT (CONTINUED)

CEO's remuneration in last ten years

Year		2014	2015	2016	2017	2018	2019	2020	2021	2022		2023
										John Dawson[1]	Roch Doliveux[2]	Roch Doliveux[2]	Frank Mathias[2]
CEO's single total figure of remuneration	£'000	680	732	653	811	1,311	1,220	1,258	1,828	104[3]	208[3]	53	529
LTIP vesting	% of maximum	0%	100%	50%	25%	80%	100%	62%	42%	50%	n/a	n/a	n/a
Annual bonus	% of maximum	75%	42%	50%	85%	92%	70%	85%	84%	86[3]	n/a	n/a	n/a

[1] In 2022, Dr. Roch Doliveux was interim CEO from 28 January 2022. Therefore, the CEO's total single figure of remuneration is shown separately for Mr. John Dawson's remuneration from 1 January 2022 to 27 January 2022 and Dr. Doliveux's remuneration from 28 January 2022 until 31 December 2022. Dr. Doliveux did not participate in an LTIP that vested by reference to performance in 2022 or the 2022 annual bonus or any pension arrangement. For Mr. Dawson: (1) the LTIP vesting has been calculated by the weighted average vesting percentage of the share price element of the 2019 LTIP award and the revenue element of the 2020 LTIP award in which Mr. Dawson participated; and (2) the annual bonus included is calculated by reference to Mr. Dawson's bonus awarded in the year.

[2] In 2023, Dr. Doliveux was interim CEO until 27 March 2023. Therefore, the CEO's total single figure of remuneration is shown separately for Dr. Doliveux's remuneration from 1 January 2023 to 27 March 2023 and Dr. Frank Mathias' remuneration from 27 March 2023 until 31 December 2023. Dr. Doliveux did not participate in an LTIP that vested by reference to performance in 2023 or the 2023 annual bonus or any pension arrangement. Dr. Mathias did not participate in an LTIP that vested by reference to performance in 2023.

[3] The values for Mr. Dawson and Dr. Doliveux have been restated to reflect the agreed reduction of Mr. Dawson's bonus and the waiving by Dr. Doliveux of his additional fee, in each case as referred to earlier in this report.

Percentage change in remuneration of Directors and employees

The table below shows the annual percentage change in salary/fees, benefits and bonus between 2019 and 2023 for the Directors.

Information in relation to the changes in respect of previous years is included in previous years' Directors' Remuneration Report. The stated increases and decreases in salary and fees between various years reflects that comparison is between full years and part years. In particular, the comparison between years for Dr. Sam Rasty and Catherine Moukheibir compare full years and part years.

	Salary/Fees				Benefits				Bonus			
Year	2022/23 % change[1]	2021/22 % change	2020/21 % change	2019/20 % change	2022/23 % change	2021/22 % change	2020/21 % change	2019/20 % change	2022/23 % change	2021/22 % change	2020/21 % change	2019/20 % change
Stuart Paynter	3	10	30	5	9	0	0	0	-100	0[2]	47	28
Dr. Roch Doliveux	0	0[3]	89	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stuart Henderson	0	0	27	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr. Heather Preston	0	0	109	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr. Sam Rasty	-51[4]	0	1,757	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Professor Dame kay Davies	12	20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr. Michael Hayden	0	57	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Catherine Moukheibir	-18[5]	3,400[5]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Namrata Patel	38[6]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Comparator employee group[7]	7	11	8	9	14	(10)	9	11	-100	11	22	98

[1] Dr. Frank Mathias and Leone Patterson were appointed during 2023 and, accordingly, have been excluded from the table. Robert Ghenchev did not receive any remuneration for his role, and accordingly has been excluded from the table.

[2] As explained earlier in this report, Stuart Paynter agreed to a 10% reduction in his bonus in respect of 2022. The percentage change between 2021 and 2022 has been restated accordingly.

[3] As explained earlier in this report, Dr. Doliveux waived his additional fee in respect of 2022. The percentage change between 2021 and 2022 has been restated accordingly.

[4] Dr. Sam Rasty resigned from the Board on 23 June 2023.

[5] As noted above, the significiant changes in Catherine Moukheibir's fees between 2021 and 2022 reflect that the fee for 2022 is for a full year and that the fee for 2021 is for a part year. The decrease in 2023 is due to her start dare in 2021, Catherine received her 2021 and 2022 share allotment in 2022 but only her normal annual allotment in 2023.

[6] Namrata Patel was appointed as a Director during 2022.

[7] The average percentage change in the same elements of remuneration over the same period are in respect of a comparator group of employees. The regulations require that the comparator group is all employees of the Company; however, as the Company (Oxford Biomedica Plc) has no employees and for consistency with prior years the Remuneration Committee has chosen as the comparator group all those employees other than the Directors who were employed by Oxford Biomedica (UK) Limited throughout the whole of the relevant years.

CEO's pay ratio

The table below sets out the CEO's pay ratio at the 25th, median and 75th percentile employee within the organisation. The Group used Option A as defined in The Companies (Miscellaneous Reporting) Regulations 2018, as this calculation methodology for the ratios was considered to be the most accurate method. The 25th, median and 75th percentile pay ratios were calculated using the full-time equivalent remuneration for all UK employees as at the end of each year.

In 2022, Dr. Roch Doliveux was interim CEO from 28 January 2022. Given the significant proportion of the year for which he was interim CEO, the CEO's remuneration for 2022 is his remuneration, albeit for the full year and not only for the period from 28 January.

In 2023, Dr. Roch Doliveux was interim CEO until 27 March 2023 at which point Dr. Frank Mathias became CEO. For 2023, the CEO remuneration is the aggregate of Dr. Doliveux's remuneration for the period to 27 March 2023 and Dr. Mathias' remuneration from that date onwards.

Employees' involvement in the Group's performance is encouraged. From 2020 all eligible employees (previously only certain employees) may participate in discretionary bonus schemes. The Group aims to provide a competitive remuneration package which is appropriate to promote the long-term success of the Group and to apply this Policy fairly and consistently to attract and motivate employees. Where possible, the Group also encourages employee share ownership through a number of share plans that allow employees to benefit from the Group's success. The Group considers the median pay ratio to be consistent with the Group's wider policies on employee pay, reward and progression. The ratios reduced in 2022 due to Dr. Roch Doliveux holding office as interim CEO after the retirement of Mr. John Dawson, and also his waiver of his 2022 additional fee. The ratios have increased in 2023 due to the appointment of Dr. Frank Mathias as full time CEO in March 2023.

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2018	Option A	1:48	1:37	1:27
2019	Option A	1:42	1:32	1:24
2020	Option A	1:40	1:30	1:23
2021	Option A	1:59	1:44	1:32
2022[1]	Option A	1:6	1:5	1:4
2023	Option A	1:17	1: 13	1: 9

[1] As explained earlier in this report, Dr. Doliveux waived his additional fee in respect of 2022. The 2022 ratios have been restated accordingly.

Pay details for the individuals are set out below:

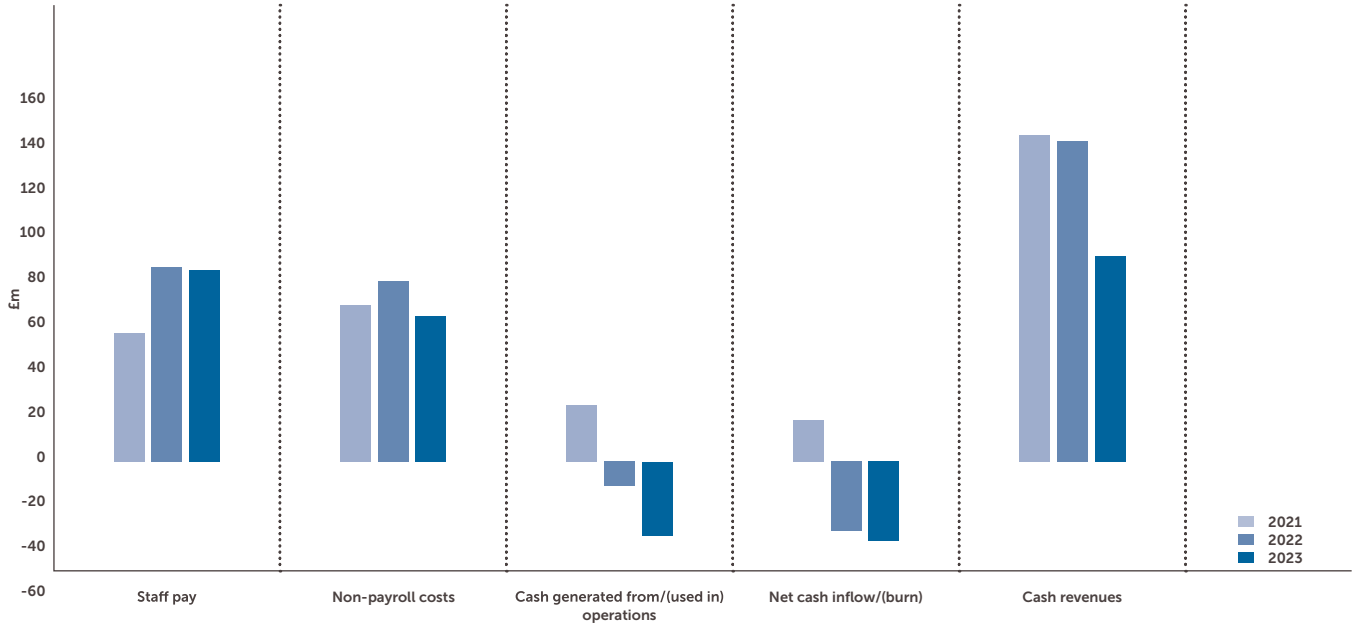
2018	CEO	25th percentile	Median	75th percentile
Salary (£'000)	£380	£25	£32	£44
Total remuneration (£'000)	**£1,311**	**£27**	**£35**	**£48**
2019	CEO	25th percentile	Median	75th percentile
Salary (£'000)	£410	£26	£35	£45
Total remuneration (£'000)	**£1,220**	**£29**	**£38**	**£50**
2020	CEO	25th percentile	Median	75th percentile
Salary (£'000)	£431	£28	£37	£47
Total remuneration (£'000)	**£1,258**	**£31**	**£42**	**£55**
2021	CEO	25th percentile	Median	75th percentile
Salary (£'000)	£455	£27	£36	£50
Total remuneration (£'000)	**£1,828**	**£31**	**£42**	**£57**
2022	CEO	25th percentile	Median	75th percentile
Salary (£'000)	£225	£31	£40	£54
Total remuneration (£'000)	**£312**	**£36**	**£46**	**£62**
2023	CEO	25th percentile	Median	75th percentile
Salary (£'000)	£511	£32	£42	£58
Total remuneration (£'000)	**£582**	**£35**	**£46**	**£63**

Relative importance of spend on pay

The chart below illustrates the spend on employee remuneration compared with the Group's key cash measures. Since the Group does not make dividend or other distributions, these have not been included in the table.

The Group's key cash measures were chosen by the Directors because they illustrate very clearly the importance of employee remuneration as a fundamental element of operational spend and activities, as well as the continued investment of the business in its people. The key cash measure amounts can be found in the Finance review and were identified as being:

DIRECTORS' REMUNERATION REPORT (CONTINUED)



Explanations for the year on year movements in the key cash measures are provided on pages 34 (Staff pay and Non-payroll costs), 37 (Cash generated from/(used in) operations and Net cash inflow/(burn) and 33 (Cash revenues).

Approach to Directors' Remuneration in 2024

The Company's approach to Directors' Remuneration in 2024 is set out in the statement from the Remuneration Committee Chair on pages 89-92 and Remuneration at a Glance section on page 93.

Statement of voting at AGM

At the 2023 AGM, the 2022 Directors' Remuneration Report was approved by shareholders as follows:

Resolution	Votes for (including discretionary)	% for	Votes against	% against	Total votes cast (excluding votes withheld)	Votes withheld (abstentions)
Approval of the Directors' Remuneration Report	51,080,127	79.93%	12,826,613	20.07%	63,906,740	9,301,496

Following the AGM, the Chair of the Remuneration Committee engaged with shareholders that had voted against the resolution to approve the Remuneration Report. In December 2023, details of action that was taken following shareholder feedback was published in accordance with Provision 4 of the Corporate Governance Code. The points highlighted in the shareholder feedback and the way in which the Remuneration Committee has addressed these points (including the overall simplification of the Policy) are described in the Remuneration Committee Chair's statement earlier in this report.

At the 2021 AGM, the 2020 Directors' Remuneration Policy was approved by shareholders as follows:

Resolution	Votes for (including discretionary)	% for	Votes against	% against	Total votes cast (excluding votes withheld)	Votes withheld (abstentions)
Approval of the Directors' Remuneration Policy	46,437,980	80.95%	10,926,461	19.05%	57,364,441	1,039,205

Advisers to the Remuneration Committee

Deloitte LLP acted as adviser to the Remuneration Committee during 2023. Deloitte was appointed by the Remuneration Committee based on its expertise in remuneration matters and is a founding member of the Remuneration Consultants Group and adheres to its Code of Conduct in relation to Executive remuneration consulting in the UK. Deloitte's fees for advice to the Remuneration Committee during 2023 were £71,100 plus VAT. The advice received from Deloitte LLP was both objective and independent. Deloitte also advised the Group on below Board remuneration, on the operation of its share plans, on the design of a sales incentive plan, on corporate tax and related matters, on the tax treatment of internationally mobile employees, and on the tax treatment of non-UK resident Directors during 2023

The Remuneration Committee reviewed the potential conflicts of interest and the safeguards against them and is satisfied that Deloitte does not have any such interests or connections with the Group that may impair independence.

Introduction to the Directors' Remuneration Policy

The Company's Directors' Remuneration Policy set out in the 2020 Annual Report and accounts was approved by shareholders at the 2021 AGM. In accordance with the applicable legislation, the Company is seeking approval for a new Directors' Remuneration Policy at the 2024 AGM. The approach taken by the Remuneration Committee to the determination of the new Policy and the differences between the new Policy and the Policy approved by shareholders at the 2021 AGM are described in the statement from the Remuneration Committee Chair on pages 89-92. As described in the statement from the Remuneration Committee Chair, the development and finalisation of the Policy took into account the consultation with key shareholders. Input was also sought from the Executive Directors, but the Policy was finalised by the Remuneration Committee, which no Executive Director is a member of.

In summary, the new Policy aims to align the Group's practices more closely with shareholder expectations whilst ensuring that the Policy supports the Group's strategy to transform and grow the business and enables it to recruit and retain high calibre Executive and Non-Executive talent and pay competitively within the global talent markets in which it operates. With the cell and gene therapy industry at an inflection point, the Group is in the right market at the right time, and well-equipped to succeed with a highly skilled workforce and leading-edge technology. A significant proportion of cell and gene therapy is based in the US and the US market continues to have significant commercial potential for the Group. The Group operates in a global talent market and needs to pay competitively against CDMO businesses in Europe, Asia and the United States.

Directors' Remuneration Policy

Policy table

Component and purpose	Operation	Maximum potential	Performance targets and metrics
Executive Directors			
Base salary To provide a base salary which is sufficient to attract and retain Executive Directors of a suitable calibre.	Base salaries are normally reviewed annually taking into account a number of factors which may include (but are not limited to): • underlying Group performance; • role, experience and individual performance; • competitive salary levels and market forces; and • pay and conditions elsewhere in the Group. Any changes are normally effective from 1 January.	While there is no maximum salary, increases will normally be within or below the range of salary increase awarded (in percentage of salary terms) to other employees in the Group. Higher salary increases may be awarded in appropriate circumstances, such as, but not limited to: • where an Executive Director has been promoted or has had a change in scope or responsibility; • to take account of competitive salary levels and market forces; • to reflect an individual's development or performance in role; • where there has been a change in market practice; or • where there has been a change in size and/or complexity of the business. Such increases may be implemented over such time period as the Remuneration Committee deems appropriate.	While no formal performance conditions apply, an individual's performance in role is taken into account in determining any salary increase.
Benefits To provide benefits on a market competitive basis.	Benefits may include medical insurance (including for the Executive Director's spouse or partner and dependants), life assurance, permanent health insurance, provision of a company car or a car allowance, assistance with the preparation of tax returns, tax equalisation arrangements, other benefits consistent with those typically offered in their country of residence and other appropriate benefits determined by the Remuneration Committee. Additional benefits or allowances may be provided based on individual circumstances, including the location of the Executive Director. These may include, for example, travel expenses.	There is no predetermined maximum but the totals are reviewed annually by the Remuneration Committee.	Not applicable.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Component and purpose	Operation	Maximum potential	Performance targets and metrics
Retirement benefits To provide funding for retirement.	The Group operates a defined contribution scheme for all employees, including Executive Directors. Executive Directors are permitted to take a cash supplement instead of some or all of the contributions to a pension plan. Non-UK national Executive Directors are permitted to participate in home country pension arrangements where appropriate.	A maximum employer contribution or cash supplement (or combination thereof) not exceeding the contribution available to the wider workforce as determined by the Remuneration Committee (currently 7.5% in the UK).	Not applicable.
Sharesave scheme To create alignment with the Group and promote a sense of ownership.	Executive Directors are entitled to participate in a tax qualifying all employee Sharesave scheme under which they may make monthly savings contributions over a period determined in accordance with the applicable legislation and which are linked to the grant of an option over the Company's shares with an option price which can be at a discount of up to 20% to the market value of shares at grant (or such other discount as may be permitted by the applicable legislation from time to time). Executive Directors will be able to participate on the same basis as other qualifying employees in any other all-employee share scheme adopted by the Group.	For the Sharesave scheme, participation limits and the level of discount permitted in setting the exercise price are determined in accordance with the applicable legislation from time to time. For any other all-employee share plan, the maximum will be determined in accordance with the plan rules and will be the same as for other qualifying employees.	Not subject to performance measures in line with usual practice

Component and purpose	Operation	Maximum potential	Performance targets and metrics
Annual bonus To incentivise and reward delivery of the Group's objectives. Delivery of part of the bonus as a deferred bonus award aligns the incentive package with shareholders' interests.	Bonus targets and measures are typically reviewed annually and any pay-out is determined by the Remuneration Committee after the year end. The Remuneration Committee has discretion to amend the pay-out should: (1) any potential pay-out not reflect the Remuneration Committee's assessment of overall performance; (2) any potential pay-out be inappropriate in the context of circumstances that were unexpected or unforeseen at the start of the performance period; or (3) there be any other reason why an amendment is appropriate. **Bonus Deferral** The extent of the deferral of bonus will ordinarily depend upon achievement against the Company's In-Service Share Ownership Guideline. • If an Executive Director has not met the Company's In-Service Share Ownership Guideline as determined by the Remuneration Committee, ordinarily 50% of the bonus will be delivered as a deferred bonus award. • If an Executive Director has met the In-Service Share Ownership Guideline as determined by the Remuneration Committee, ordinarily 25% of the bonus will be delivered as a deferred bonus award. The Remuneration Committee may permit or require the deferral of a greater proportion of any bonus earned. Any bonus not delivered as a deferred bonus award will be paid in cash. Deferred bonus awards ordinarily vest in three equal instalments on the first, second and third anniversaries of the award. The deferred bonus awards are not subject to further performance targets. **Dividend Equivalents** Additional shares may be awarded in respect of shares subject to deferred bonus awards to reflect the value of dividends over the deferral period. These dividend equivalents may assume the reinvestment of dividends into shares on such basis as the Remuneration Committee determines. Recovery provisions apply as summarised below.	The usual target annual bonus opportunity is 75% of base salary and the usual maximum annual bonus opportunity is 150% of base salary (2x target). In exceptional circumstances, the target annual bonus opportunity may be increased to up to 100% of base salary and the maximum annual bonus opportunity is to up to 200% of base salary (2x a target bonus of 100% of base salary). These exceptional circumstances are: (1) to facilitate the recruitment of a new Executive Director; and (2) in the event of a significant increase in the size and complexity of the business.	The performance metrics may be based on financial and/or non-financial objectives (which may include leading performance indicators, ESG metrics and individual objectives). At least 50% of the bonus opportunity will be based on financial measures. Metrics and targets are set by the Remuneration Committee taking into account the strategic needs of the business. Financial objectives are typically assessed over a financial year, but may be assessed over part of the year. Subject to the Remuneration Committee's discretion to amend the pay-out, for financial metrics, up to 50% of the target (up to 25% of the maximum) which may be earned for a metric is earned for threshold performance, rising to 100% of the target amount (50% of the maximum) for on-target performance and to 2x the target amount (100% of the maximum) for meeting or exceeding the maximum level of performance. For non-financial objectives, the bonus will be earned between 0% and 100% based on the Remuneration Committee's assessment of the extent to which the objective has been achieved.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Component and purpose	Operation	Maximum potential	Performance targets and metrics
Long Term Incentives To enhance shareholder alignment by providing Executive Directors with longer term interests in shares whilst requiring challenging performance before the awards vest.	At the discretion of the Remuneration Committee, grants of nil or nominal cost shares awards (Performance Shares Awards) which vest subject to the achievement of performance targets, typically assessed over a three-year performance period. **Holding period** Vested shares will be subject to a holding period of two years after vesting before they are "released". The holding period will be structured either on the basis that: (1) the Executive Director is not entitled to acquire shares until the end of it; or (2) the Executive Director is entitled to acquire shares following vesting but that (other than as regards sales to cover tax liabilities and any exercise price) the Executive Director is not able to dispose of those shares until the end of it. **Dividend equivalents** Additional shares may be awarded in respect of any Performance Shares Award to reflect the value of dividends over the period between the grant and the date on which the Executive Director is first able to acquire the vested shares. These dividend equivalents may assume the reinvestment of dividends into shares on such basis as the Remuneration Committee determines. Recovery provisions apply as summarised below.	The maximum Performance Shares Award is: • Up to 175% of base salary in respect of a financial year for an Executive Director other than the CEO; and • Up to 200% of base salary in respect of a financial year for the CEO. In exceptional circumstances, the maximum Performance Shares Award in respect of a financial year may be increased to up to 400% of base salary for any Executive Director. These exceptional circumstances are: (1) to facilitate the recruitment of a new Executive Director; and (2) in the event of a significant increase in the size and complexity of the business.	Performance conditions will be based on financial measures and/or the achievement of non-financial objectives (which may include leading performance indicators and ESG metrics). Financial measures may include (but are not limited to) share price, shareholder return, EBITDA and revenue measures. The weighting of measures and objectives will be determined in respect of each grant by the Remuneration Committee. The proposed approach to performance metrics and targets for the awards to be granted in respect of 2024 is set out on page 94. The Remuneration Committee has discretion to amend the formulaic vesting out-turn should: (1) any formulaic output not reflect the Remuneration Committee's assessment of overall performance; (2) any formulaic output be inappropriate in the context of circumstances that were unexpected or unforeseen at the date of grant; or (3) there be any other reason why an amendment is appropriate. Subject to the Remuneration Committee's discretion to amend the formulaic vesting outturn, for the achievement of threshold performance in respect of a financial measure, up to 25% of the award will vest rising to 100% of the award vesting for achieving or exceeding maximum performance; for below threshold performance, none of the award will vest. For non-financial measures, vesting will be determined between 0% and 100% depending upon the Remuneration Committee's assessment of the extent to which the measure has been achieved.

Notes to the Policy table

Recovery provisions

The annual bonus and long-term incentive awards are subject to malus and clawback provisions as follows:

Annual bonus

For up to two years following the payment of an annual bonus award, the Remuneration Committee may require the repayment of some or all of the cash award in the relevant circumstances (clawback). Deferred bonus awards which have not yet vested may be cancelled or reduced in the relevant circumstances (malus). For up to one year following the first instalment of a deferred bonus award vesting, the Remuneration Committee may require the repayment of some or all of the shares acquired pursuant to the deferred bonus award in the relevant circumstances (clawback).

Long term incentive awards

The Remuneration Committee has the right to reduce, cancel or impose further conditions on unvested awards in the relevant circumstances (malus). For up to two years following the vesting of a long-term incentive award the Remuneration Committee may require the repayment of some or all of the award in the relevant circumstances (clawback).

Circumstances in which malus and/or clawback may be applied.

Malus or clawback may be applied in the event of:

- A material misstatement of the Group's financial results;
- An error in the information or assumptions on which the award was granted or vests including an error in assessing any applicable performance conditions;
- A material failure of risk management by the Group;
- Serious reputational damage to the Group;
- Material misconduct on the part of the participant; or
- Material corporate failure.

Share ownership guidelines

To align Executive Directors with shareholders and provide an ongoing incentive for continued performance, the Remuneration Committee has adopted formal share ownership guidelines, which apply both during and after employment. The Remuneration Committee retains discretion to vary these provisions in exceptional circumstances.

In-Service Share Ownership Guideline

Executive Directors are required to build and maintain a minimum level of shareholding equal to their normal annual LTIP opportunity. Executive Directors will be required to retain half of any post-tax (and if relevant, post exercise price) awards which vest under the long-term incentive plans, and half of any post-tax shares which vest under a deferred bonus award, until the share ownership guideline has been satisfied. Shares which are fully owned with no outstanding vesting criteria count towards the share ownership guideline together with shares subject to deferred bonus awards and shares subject to Performance Shares Awards which have vested but which are in a holding period (in each case, on a net of tax basis).

Post-Employment Share Ownership Requirement

Shares are subject to this requirement only if they are acquired from long-term incentive or deferred bonus awards granted after 1 January 2019. Following employment, an Executive Director must retain such of the relevant shares as have a value at cessation equal to their in-service share ownership requirement, with the required holding tapering to zero over a two-year period. If the Executive Director holds less than the required number of relevant shares at any time, they will be required to retain all of those shares.

Performance metrics and targets

Performance metrics for the annual bonus and LTIP are set by the Remuneration Committee and aligned with the strategy of creating a leading global quality and innovation-led cell and gene therapy CDMO. Financial and non-financial metrics are utilised to align the interests of Executive Directors with both the overall financial performance of the Group and forward looking performance, with at least 50% of the annual bonus to be based on financial metrics as outlined above. Appropriately stretching targets are set each year for the annual bonus and LTIP taking into account a number of different factors including business expectations and market conditions. The proposed approach to performance metrics and targets for the 2024 annual bonus and the LTIP awards to be granted in respect of 2024 are set out on pages 94.

The Remuneration Committee retains the ability to adjust or set different performance measures in appropriate circumstances (such as a change in strategy, a material acquisition and/or a divestment of a Group business, or a change in prevailing market conditions) which cause the Remuneration Committee to determine that the measures are no longer appropriate and that amendment is required so that they achieve their original purpose.

Operation of share plans

Awards and options may be adjusted in the event of a variation of share capital or other relevant event in accordance with the rules of the applicable share plan. All discretions available under the rules of any share plan operated by the Group will be available under this Policy, except where expressly limited under this policy. This includes that awards may be granted as cash based awards over a notional number of shares, and that share awards may be settled in whole or in part in cash at the election

of the Remuneration Committee; the Remuneration Committee would only use these cash provisions for operational flexibility, for example if a regulatory restriction in any territory prevented the Company from offering shares to an Executive Director.

Differences in remuneration policy for all employees

The structure of the reward package for the wider employee population is based on the principle that it should be sufficient to attract and retain the best talent and be competitive within the global talent market in which the Company operates. The Company's approach to being competitive is to include comparison with global CDMO businesses and local market conditions, whilst ensuring that employees are remunerated for their contribution linked to the Group's holistic performance.

All employees receive a base salary and are entitled to participate in benefits, including the Group's defined contribution pension scheme to which the Group contributes.

The Company operates a Group-wide cash bonus scheme which gives employees at all levels the opportunity to share in the success of the Group by receiving a cash bonus linked to their grade level and their own personal performance. The maximum bonus receivable varies between the participating employees.

Where possible, the Group also encourages employee share ownership through a number of share plans that allow employees to benefit from the Group's success. Generally speaking, a much higher proportion of total remuneration for the Executive Directors is linked to business performance, compared to the rest of the employee population, so that remuneration will increase or decrease in line with business performance and to align the interests of Executive Directors and shareholders.

Consideration of employment conditions elsewhere in the Group

Each year the Remuneration Committee is briefed on the structure and quantum of the all-employee remuneration framework as well as throughout the year being informed about the context, challenges and opportunities relating to the remuneration of the wider workforce to enable the Remuneration Committee to consider the broader employee context when making Executive remuneration decisions.

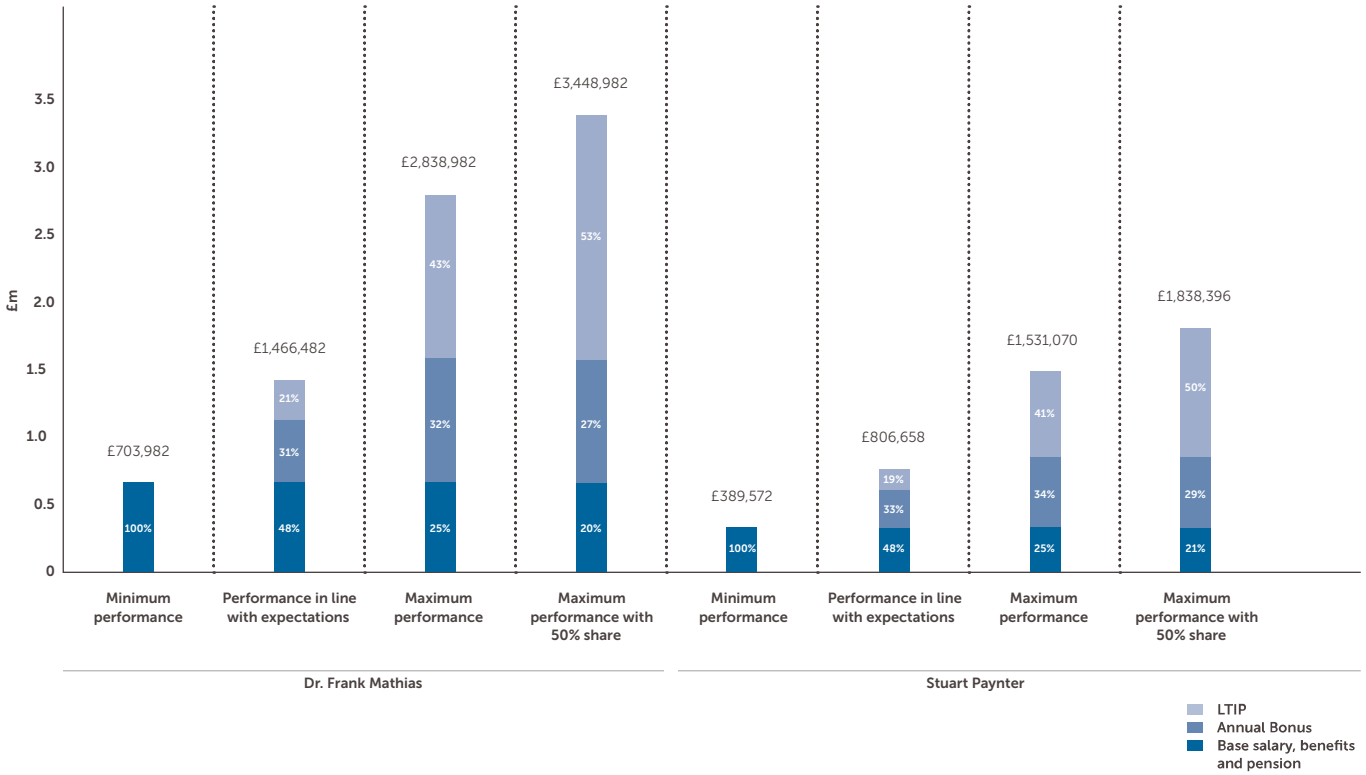
The Chief Executive Officer determines the overall salary increases and bonuses for all employees, other than the Executive Directors, the Corporate Executive Team and Company Secretary which are subject to the approval of the Remuneration Committee. The Group is committed to offering highly competitive reward packages for all employees. Every year, the Group benchmarks salaries and benefits against appropriate markets which informs the decision-making process. The Chief Executive Officer discusses the overall increase in payroll cost and the total amount to be paid in bonuses with the Chair of the Remuneration Committee before implementing the salary increases and bonuses.

The Remuneration Committee's approach to the formulation of this Policy included canvassing the views of shareholders. While the Remuneration Committee has not consulted with employees when preparing this Policy, the Remuneration Committee considers the pay and employment conditions of all other employees when setting and implementing the Policy, and as noted above, the level of salary increase for the wider workforce is taken into account when determining any salary increase for Executive Directors. During March 2023, the Group engaged with the workforce at a meeting of the WEP to explain how Executive pay aligns with the wider Group pay policy; the output of this engagement was taken into account in formulating this new Policy.

Component and purpose	Operation	Maximum potential
Non-Executive Directors		
Non-Executive Directors' fees and benefits To compensate Non-Executive Directors for their services to the Group.	The Chair's fees are set by the Remuneration Committee. The fees of other Non-Executive Directors are determined by the Board. The Chair and Non-Executive Directors may be eligible to receive benefits such as the use of secretarial support, assistance with the preparation of tax returns, or other benefits that may be appropriate. Travel and accommodation expenses in connection with attendance by the Chair and Non-Executive Directors at relevant meetings (and any tax thereon) are paid by the Company. The Chair and Non-Executive Directors do not participate in any of the Group's incentive plans and do not receive pension contributions.	There is no overall maximum, but fees are set taking into account the responsibilities of the role, expected time commitment and market competitive fee levels. Fees may be structured on the basis of a base fee with additional fees for one or more of the following: (1) chairing a Board Committee; (2) being a member of a Board Committee; (3) holding the position of Vice-Chair or Senior Independent Director (or any other relevant role); (4) having regard to the additional time commitments associated with the fulfilment of their role by a Non-Executive Director taking into account their location. A proportion of the fees may be subject to a requirement that the after-tax amount will be applied in the acquisition of shares at market value which must be retained for a specified period.

Total remuneration opportunity

The total remuneration for Dr. Frank Mathias and Stuart Paynter that could result from the proposed remuneration policy in 2024 under four different performance levels is shown below:



Performance level	Fixed pay	Annual Bonus (including any amount deferred under the DBP)	LTIP
Minimum performance	Fixed elements of remuneration only: • base salary – being the salary for 2024; • pension contribution or salary supplement assuming a contribution/ supplement rate of 7.5%; and • benefits – benefits for 2023 as stated in the single figure table on page 97, "annualised" in the case of Dr. Frank Mathias to reflect the fact that he served for part only of 2023.	No bonus.	No award vesting.
Performance in line with expectations	As above.	75% of salary (50% of maximum) awarded for achieving target performance.	25% of maximum vesting, being: • for Dr. Frank Mathias, equivalent to 50% of salary; and • for Stuart Paynter equivalent to 43.75% of salary.
Maximum performance	As above.	150% of salary (2x target) awarded for achieving maximum performance.	100% vesting for achieving maximum performance, being: • for Dr. Frank Mathias equivalent to 200% of salary; and • for Stuart Paynter equivalent to 175% of salary.
Maximum performance plus an assumed 50% increase in the share price for the purposes of the LTIP	As above.	As above.	100% vesting for achieving maximum performance plus an assumed 50% increase in the share price, being: • for Dr. Frank Mathias equivalent to 300% of salary; and • for Stuart Paynter equivalent to 262.5% of salary.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Approach to recruitment remuneration

The Remuneration Committee's overarching principle for recruitment remuneration is to pay no more than is necessary to attract an Executive Director of the calibre required to shape and deliver the Group's business strategy, recognising that the Group competes in a global talent market, including against US CDMO businesses. In determining each element of pay and the package as a whole upon recruitment, the Remuneration Committee will take into account all relevant factors including, but not limited to, the skills and experience of the individual, the market rate for an individual of that experience, as well as the importance of securing the best person for the role.

The remuneration package of a new Executive Director will be subject to the principles and limits referred to below:

- Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate.
- Retirement and other benefits will be provided in line with the Policy.
- Annual bonus and LTIP opportunities for a newly appointed Executive Director may be awarded up to the maximum permitted by the Policy table. However, the use of these maximum incentive opportunities for a newly appointed Executive Director will not be automatic.
- The Remuneration Committee will not offer non-performance related incentive payments (for example a "guaranteed sign-on bonus").
- Other elements may be included in the following circumstances.
  - An interim appointment being made to fill an Executive Director role on a short-term basis.
  - If exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis.
  - If an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis.
  - If the Executive Director will be required to relocate in order to take up the position, it is the Group's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Remuneration Committee.
- The Remuneration Committee may also alter the performance measures, performance period, vesting period, deferral period and holding period of the annual bonus, deferred bonus awards or long-term incentives if the Remuneration Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the following Directors' Remuneration Report.
- The maximum level of short and long-term incentive opportunity which may be granted (excluding "buyout" awards as referred to below) is 600% of salary (reflecting the limits in the policy table).

Any share awards referred to in this section will be granted as far as possible under the Group's share plans. If necessary, and subject to the limits referred to above, recruitment awards may be granted outside of these plans as permitted under the Listing Rules which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Compensation for the forfeiture of any remuneration arrangements in respect of a previous employment or engagement would be considered on a case-by-case basis. The Remuneration Committee will generally seek to structure such "buyout" awards or payments on a like for like basis to the remuneration arrangements forfeited and on the basis that they are limited to the expected value of the forfeited awards. Where considered appropriate, such special recruitment awards will be liable to forfeiture or "malus" and/or "clawback" on early departure.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue according to the original terms.

Fees for new Non-Executive Directors will be in line with the Policy.

Service contracts and policy on payment for loss of office

The Company's policy is for Executive Directors' service contracts to have a notice period of up to 12 months. Non-Executive Directors are engaged on initial three year contracts and thereafter on one-year rolling contracts subject to annual re-election by shareholders. Details of the notice periods in the Executive Directors' service contracts and in the Non-Executive Directors' letters of appointment are set out below.

Service contracts	Date of appointment	Notice period
Dr. Frank Mathias	27 March 2023	12 months
Stuart Paynter	29 August 2017	12 months

Letters of appointment	Date of appointment	Notice period
Dr. Roch Doliveux	24 June 2020	3 months
Stuart Henderson	1 June 2016	3 months
Dr. Heather Preston	15 March 2018	3 months
Robert Ghenchev	24 June 2019	3 months
Professor Dame Kay Davies	1 March 2021	3 months
Dr. Michael Hayden	15 July 2021	3 months
Catherine Moukheibir	14 December 2021	3 months
Namrata Patel	13 April 2022	3 months
Leone Patterson	1 May 2023	3 months

All Directors are subject to re-election by shareholders on an annual basis. Catherine Moukheibir and Dr. Michael Hayden have informed the Board that they will not be standing for re-election at the forthcoming AGM in June 2024.

The principles on which the determination of payments for loss of office will be approached are set out below:

	Policy
Payment in lieu of notice	Executive Directors may be required to work during their notice period or be paid in lieu of notice if not required to work for their full notice period. Contractual termination payments may not exceed the Director's current salary and benefits (including pension contributions and any applicable salary supplement) for the notice period. Alternatively, the Company may continue to provide the relevant benefits.
Annual Bonus	This will be at the discretion of the Remuneration Committee on an individual basis and the decision as to whether or not to award a bonus in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the bonus period in question such that a bonus will be paid only where the Remuneration Committee considers there are "good leaver" circumstances. Any bonus amounts paid will typically be pro-rated for time in service during the bonus period and will, subject to performance, be paid at the usual time (although the Remuneration Committee retains discretion to pay the bonus earlier in appropriate circumstances). The starting point would be that the deferral would apply on a similar basis as it would for a continuing Director in line with the policy table depending upon whether the former Director had met the In-Service Share Ownership Guideline at cessation. However, the Remuneration Committee has discretion to pay the whole of any bonus earned for the year of departure and preceding year in cash where deferral would otherwise apply, although would only do so where in the opinion of the Remuneration Committee there are compassionate "good leaver" circumstances.
Deferred Bonus Awards	The extent to which any unvested award will vest will be determined in accordance with the applicable share plan rules. Unvested awards will normally lapse on cessation of employment. However, if a participant leaves due to death, ill-health, injury, disability, the sale of their employer or any other reason at the discretion of the Remuneration Committee, the Remuneration Committee shall determine whether the award will vest at the normal date or at an earlier date. In either case, this will be determined by the Remuneration Committee, taking into account, unless the Remuneration Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation relative to the deferral period.
Long Term Incentives	The treatment of long-term incentive awards will be determined in accordance with the applicable share plan rules. **Unvested awards** Unvested long-term incentive awards will normally lapse on cessation of employment. However, if a participant leaves due to death, ill-health, injury, disability, the sale of their employer or any other reason at the discretion of the Remuneration Committee, the Remuneration Committee shall determine whether the award will continue until the originally anticipated vesting date or vest at an earlier date. In either case, the extent of vesting will be determined by the Remuneration Committee taking into account the extent to which the performance condition is satisfied and, unless the Remuneration Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation relative to the performance period. If the award continues, the holding period will ordinarily apply until its originally anticipated end date, although the Remuneration Committee has discretion to release the award at an earlier date. **Vested awards in a holding period** If an Executive Director ceases employment with the Group after an award has vested but before the end of its holding period, the award will continue to the end of the holding period (unless the cessation is for summary dismissal, in which case it will lapse). The award will be released to the extent it has vested by reference to the performance conditions. The Remuneration Committee retains discretion to release the award at cessation.
Change of control or other relevant corporate event	**Unvested awards** The extent to which unvested deferred bonus awards and long-term incentive awards will vest will be determined in accordance with the rules of the relevant plan. • Deferred bonus awards will vest in full in the event of a takeover, merger or other relevant corporate event. • Long-term incentive awards will vest early on a takeover, merger or other relevant corporate event. The Remuneration Committee will determine the level of vesting taking into account the extent to which the performance condition is satisfied and, unless the Remuneration Committee determines otherwise, the period of time elapsed from the date of grant to the date of the relevant event relative to the performance period. **Vested awards in a holding period** Vested long-term incentive awards will be released on a takeover, merger or other relevant corporate event to the extent they have vested by reference to the performance conditions.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Other payments	Payments may be made either in the event of a loss of office or a change of control under the Sharesave scheme, which is governed by its rules and the legislation relating to such tax qualifying plans. There is no discretionary treatment for leavers or on a change of control under this scheme. In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees and any other all-employee share plan. In appropriate circumstances, the Remuneration Committee may agree that certain benefits (such as medical insurance) may be continued for a reasonable period following termination of employment. If an Executive Director has relocated as part of their appointment, the Company may pay reasonable repatriation costs for leavers at the Remuneration Committee's discretion. The Remuneration Committee retains discretion to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. Where a 'buyout' or other award is made in connection with recruitment, the leaver provisions would be determined no later than the time of the award.

Existing contractual arrangements

The Remuneration Committee retains discretion to make any remuneration payment or payment for loss of office outside the policy in this Annual Report and accounts (including exercising any discretions available to it in connection with any such payment):

- where the terms of the payment were agreed before the Policy came into effect (provided that, in the case of any payment agreed after the Company's 2018 Annual General Meeting, they are in line with the Policy in place at the time the terms were agreed or were otherwise approved by shareholders); or
- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration of the individual becoming a Director of the Company; or
- to satisfy contractual commitments under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Statement of consideration of shareholder views The Remuneration Committee greatly values the continued dialogue with shareholders and regularly engages with shareholders and representative bodies to take their views into account when setting and implementing the Company's remuneration policies. The Company engaged extensively with shareholders and their proxy advisers on the 2024 Remuneration Policy review. More detail on the engagement with shareholders in 2024 can be found in the Remuneration Committee Chair's letter on pages 89-92.

Directors' Report

For the year ended 31 December 2023

The Directors present their Annual report and audited consolidated financial statements (Annual report and accounts) for the year ended 31 December 2023 as set out on pages 122-174. This report should be read in conjunction with the Corporate Governance Report on pages 73-121. Discussions regarding financial information contained in this Annual report and accounts may contain forward- looking statements with respect to certain of the plans, current goals and expectations relating to the future financial condition, business performance and results of the Group and the Company. By their nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Group and the Company. Readers are cautioned that, as a result, the actual future financial condition, business performance and results of the Group may differ materially from the plans, goals and expectations expressed or implied in such forward-looking statements.

Strategic report

The Strategic Report, including the outlook for 2024 is on pages 3-72. The Directors consider that the Annual report and accounts, taken as a whole, are fair, balanced and understandable. In reaching this conclusion, the Audit Committee initially discussed the requirements with the Group's auditors when discussing the strategy for the 2023 audit, and the full Board have had an opportunity to review and comment on the contents of the report. Since the Board met six times for routine meetings in 2023, the Directors consider that they are sufficiently well informed to be able to make this judgement.

Key Financial and Non-Financial performance indicators (KPIs)

Key financial and non-financial performance indicators are outlined in the Chief Financial Officer's review on pages 31-39.

Corporate Governance

The Group's statement on corporate governance is included in the Corporate Governance Report on pages 73-121, which forms part of this Directors' Report.

Risk Management

The Group's exposure to risks is set out on pages 67-72 (Principal risks, uncertainties and risk management) and on page 139 (note 3: financial risk management).

Dividends

The Directors do not recommend payment of a dividend (2022: £nil).

Directors

Details of the Directors of the Company who were in office during the year and up to the date of signing the financial statements are detailed on pages 74-75. The contracts of employment of the Executive Directors are each subject to a twelve month notice period. The Directors' remuneration and their interests in the share capital of the Company as at 31 December 2023 are disclosed in the Directors' Remuneration Report on pages 100-105.

Appointment and replacement of Directors

Directors may be appointed by an ordinary resolution at any general meeting of shareholders, or may be appointed by the existing Directors, provided that any Director so appointed shall retire at the next AGM and may offer themselves for re-election. In order to ensure that the Company complies with the 2018 Corporate Governance Code all Directors will retire at each AGM and may offer themselves for re-election. Any Director may appoint another Director or another person approved by the other Directors as an alternate Director.

Directors' third-party indemnity provision

The Group maintains a qualifying third-party indemnity insurance policy to provide cover for legal action against its Directors. This was in force throughout 2023 and up to the date of approval of the financial statements.

Share Capital

Structure of the Company's capital

At 31 December 2023, the Company had 96,804,353 ordinary shares in issue, all allotted and fully paid. There are no restrictions on the transfer of shares in the Company or on voting rights. All shares are admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange.

Rights to issue and buy back shares

Each year at the AGM the Directors seek rights to allot shares. The authority, when granted, lasts for 15 months or until the conclusion of the next AGM if sooner. At the last AGM held at the Group's offices and by webcast on 23 June 2023, authority was given to allot up to 32,153,630 shares (that number being one third of total issued share capital of the Company at the time), subject to the normal pre-emption rights reserved to shareholders contained in the Companies Act 2006, and to allot up to a further 32,153,630 shares, solely in a rights issue. Authority was also given, subject to certain conditions, to waive pre-emption

rights over up to 9,646,088 shares, being 10% of the shares then in issue for cash and an additional authority was also given to waive pre-emption rights over up to 9,646,088 shares, being 10% of the shares then in issue for use in connection with an acquisition of specified capital investment announced contemporaneously with the issue, or that has taken place in the 12-month period preceding the announcement of the issue. No rights have been granted to the Directors to buy back shares.

Substantial shareholdings

At 31 December 2023, the Company had been notified of the following shareholdings amounting to 3% or more of the ordinary share capital of the Company.

Shareholder	Number of ordinary shares	Percentage of issued share capital
Novo Holdings (Copenhagen)	12,048,802	12.45
Vulpes Investment Mgt (Singapore)	8,426,390	8.70
M&G Investments (London)	7,050,521	7.28
Liontrust Asset Mgt (London)	6,917,757	7.15
Fidelity Investments (Boston)	4,105,735	4.24
Hargreaves Lansdown Asset Mgt (Bristol)	3,433,247	3.55
Serum Life Sciences Ltd (UK)	3,382,950	3.49
Columbia Threadneedle Investments (London)	3,183,728	3.29
Institut Mérieux SA (Lyon)	3,160,000	3.26
Vitruvian Partners (London)	3,004,567	3.10
Vanguard Group (Philadelphia)	2,985,324	3.08
Mr. S M H Shah (UK)	2,902,652	3.00

At 15 April 2024 , the latest practicable date prior to approval of the Directors' Report, the Company had been notified of the following shareholdings amounting to 3% or more of the ordinary share capital of the Company.

Shareholder	Number of ordinary shares	Percentage of issued share capital
Novo Holdings (Copenhagen)	12,048,802	12.05
Vulpes Investment Management (Singapore)	8,426,390	8.43
M&G Investments (London)	7,170,330	7.17
Institut Mérieux SA (Lyon)	6,309,374	6.31
Liontrust Asset Management (London)	6,078,799	6.08
Hargreaves Lansdown Asset Management (Bristol)	3,689,888	3.69
Serum Life Sciences Ltd (UK)	3,382,950	3.38
Columbia Threadneedle Investments (London)	3,245,381	3.25
Interactive Investor (Manchester)	3,241,215	3.24
Lansdowne Partners (London)	3,085,765	3.09
Vitruvian Partners (London)	3,004,567	3.00

No other person has reported an interest in the ordinary shares of the Company required to be notified to the Company. No person holds shares carrying special rights with regard to control of the Company.

Research and development

The Group's strategy is centred on being an innovative CDMO. Research and development activities are focussed on making improvements to platforms and automation where possible.

Employees

In accordance with s172 of the Companies Act 2006, the Group communicates and consults regularly with employees throughout the year. The Group has an established WEP comprising employees representing all levels and functions across the Group. In addition, the Group has designated Board representative, Stuart Henderson, for gathering the views of the workforce and overseeing employee engagement between the Board and the workforce. Further details regarding the WEP can be found in the Nomination Committee Report on page 86. Employees' involvement in the Group's performance is encouraged. All employees who have completed probation are eligible to participate in discretionary bonus schemes.

In March 2023, the Group engaged with the workforce at a meeting of the WEP to explain how Executive pay aligns with the wider Group pay policy. In particular, the WEP received a briefing on the role of the Remuneration Committee and the key highlights from the 2021–2024 Remuneration Policy, including the underlying context for increases in base pay and adjustments to the maximum bonus and long-term incentive (share based) opportunity. WEP members also received information relating to recent trends in Executive pay and the WEP members were given the opportunity to provide feedback and discuss the topic with their respective wider teams. In December 2023, the Group provided the workforce with further detail in relation to Executive pay alignment in the form of an all employee update.

Further details on how the Group engaged with its employees, including keeping employees informed of matters of concern and awareness of the financial and economic factors affecting the performance of the Group can be found in the Group's Stakeholders section of the Strategic Report on pages 15-19.

The Group's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity regardless of sex, religion or ethnic origin. The Group is

committed to recognising and supporting the skills and experiences of individuals with disabilities (both visible and invisible) during the hiring process and continuing throughout employees' careers and development.

Further details on employees, health and safety, environmental matters and corporate social responsibility can be found in the ESG statement on pages 42-66.

Factoring stakeholder engagement into Board decisions

By thoroughly understanding the Group's key stakeholder groups, the Group can factor their needs and concerns into Boardroom discussions (further information on the Group's stakeholders can be found on pages 15-19 and in the Board section of the Corporate Governance Report on pages 78-80.

Financial instruments and related matters

Included in note 3, on pages 139-140, are the Group's financial risk factors and policies and an indication of the Group's exposure to certain risks. Those elements of that note form part of this Annual report and accounts and are incorporated by reference.

Employee share schemes

The Group has established an Employee Benefit Trust (EBT) to hold shares purchased in order to settle shares awarded to Executive Directors and other senior managers under the 2013 Deferred Bonus Plan. As at 31 December 2023, the EBT held 1,300 shares with a value of £3,000 on which all the related options have vested. The EBT also administers the 2015 Deferred and LTIP bonus plans in as far as subscribing for and applying the share capital for nil cost options in the Company exercised by employees. Settlement of the funds occurs through the Group. At the end of 2023 bonuses to senior management with a value of £nil vested with none converted to nil cost options during 2024. Refer to note 26 of the consolidated financial statements for further information.

Agreements that take effect, alter, or terminate because of a takeover bid or on change of control

There are no such agreements that the Directors consider are material. There are no agreements providing for compensation for loss of office for Directors or employees in the event of a takeover bid.

DIRECTORS' REPORT (CONTINUED)

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 £120.0 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 lease back 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 €10 million 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.

Viability Statement

The Directors have assessed the prospects of the Group over the three years to December 2026. They believe three years to be appropriate due to the inherent significant uncertainties of forecasting within and beyond this time horizon given the nature of the business sector in which the Group operates. The assessment has been performed by developing and updating the Long Range Plan that covers the viability assessment period which the Board has scrutinised in depth together with its financial advisers prior to the publication of this statement.

The Group's strategy is to exploit its platform technologies in lentiviral vector (Lentivector®) and AAV to support the development of other companies' cell and gene therapy products. The Group is generating growing cell and gene therapy revenues and other operating income from licensing its platform technology, generating upfront receipts and royalties, and fees for providing process development and bioprocessing services to other companies. Over the three years to December 2026 the Directors believe that revenues from licensing its technology to third parties and from providing process development and bioprocessing services to its partners will be sufficient to support a sustainable Group.

The following factors are considered both in the formulation of the Group's strategy, and in the assessment of the Group's prospects over the three-year period:

— The principal risks and uncertainties faced by the Group, including emerging risks as they are identified (such as increasingly sophisticated cyber threats), and the Group's response to these;

— The prevailing economic climate and global economy, competitor activity, market dynamics and changing client behaviours;

— How the Group can best position itself to take advantage of the current opportunities within the cell and gene therapy, and adenovirus markets;

— Opportunities for further technology investment and innovation; and

— The resilience afforded by the Group's enviable technology platform and innovation capabilities.

Assessment of Viability

The Group has experienced a challenging year in 2023, however, despite set backs, the Group has continued to add new Lentivector® platform and AAV clients, while expanding on its existing partnerships. In response to these set backs, the Group implemented an extensive transformation plan resulting in management changes both in the UK and the US, significant reduction in the number of employees across the Group and acquisition of ABL Europe. The Group is entering into 2024 under a new, leaner, more efficient structure and a clear vision to become a pure-play quality and innovation-led CDMO. This is an extremely exciting stage in its development with focus on commercial development and manufacture of cell and gene therapy products.

The financial viability of the Group has been assessed, taking into account the Group's current financial position, and assumes the Group continues to execute on its growth strategy and is able to raise additional finance before the Oaktree loan needs to be repaid in 2026. The sufficiently long timeframe over which this needs to be achieved allows the Group a flexible approach in financing strategy execution to maximise the outcome. The Group continues to investigate strengthening its cash position through both non-dilutive and opportunistic dilutive financing in the short to medium term. The Group has a strong and supportive shareholder base and a successful track record of raising equity finance. It has been able to capitalise on its previous investments through sale and leaseback transactions and has options to out-licence its product R&D or platform to third parties.

This assessment has been made using long range financial planning assumptions, augmented by the preparation of more detailed cash flow forecasts over the period that also considered the impact of severe but plausible downside scenarios, including scenarios arising from the Group's principal risks as outlined on pages 68-71. In modelling these downside scenarios, the Group has considered the principal risks that are most likely to have a direct and material impact on the viability of the Group. These risks are outlined below. It is important to note that while each risk could adversely affect the Group's financial performance, as the Group's client product portfolio expands its resilience to individual product setbacks and its reliance on securing individual new products reduces, the combination of downside risks that would need to crystallise to make the business unviable becomes increasingly remote. In addition, there are significant upside opportunities that aren't assumed in the Group's financial plans, so the scenarios modelled are considered appropriately balanced.

Scenario	Risk	Description
No revenues from new clients	Commercialisation risk	The Group is unable to attract new clients, or existing clients do not add additional products to their existing programmes.
A substantial downside affecting the core multi-vector platform business	Commercialisation risk	Clients discontinue their existing programmes or transfer them to other suppliers.
	Supply Chain and business execution risk	The Group is unable to produce batches for clients meeting the required specification.
Significant decreases in forecasted existing client milestones and royalties	Commercialisation risk	Clients terminate or delay their existing programmes due to the products under development not meeting safety and efficacy requirements.

In addition, the management needs to ensure that costs stay flexible and can be aligned with revenues which can sometimes be lumpy, or potentially significantly reduce or stop at relatively short notice (e.g. in the case of a vaccine for a pandemic). As described above, over the last twelve months the business has demonstrated the ability to manage its cost base by undergoing a substantial reduction in workforce and cost re-alignment to revenues, to allow for new, leaner, more efficient structure.

As mentioned above, the hypothetical downside scenarios with mitigating actions modelled over the viability period were purposefully severe whilst remaining realistically plausible, with the aim of creating outcomes that could threaten the viability of the Group. However, in the event of these scenarios arising there are various options available to the Group to maintain its liquidity and continue its operations e.g. (i) accessing external funding; (ii) more radical short term cost reduction actions; and (iii) further reductions to capital expenditure. Over the three-year viability assessment period, assuming the Group continues to execute its growth strategy it has strong prospects for revenue growth and raising additional finance arising from its expanding client product portfolio and increasingly broad spectrum of capabilities, and as such the Directors are confident in the ongoing viability of the business.

Conclusion

The Directors anticipate that the Group has strong prospects for attracting and fulfilling the demands from more client programmes, and in doing so being able to continue the recent growth in client activity for the foreseeable future. The Group's financial forecasts reflect these assumptions and therefore the Directors have concluded that there is a reasonable expectation, although not a certainty, that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to December 2026.

Amendment of the Company's articles of association

Amendment of the Company's articles may be made by special resolution at a general meeting of shareholders.

Compliance with Listing Rule 9.8.4R

The Directors have reviewed the requirements of LR 9.8.4R. The majority of these do not apply to the Group but the following are applicable.

Listing Rule	Information required	Response
LR 9.8.4 (5) and (6)	Arrangement under which a Director has waived current or future emoluments.	Robert Ghenchev elected to receive no fees for his services as a Director (page 97).
LR 9.8.4 (7) and (8)	Allotment of shares other than to existing shareholders in proportion to holdings.	Allotment of shares on exercise of options by employees under approved share schemes (note 26, pages 155-157). Allotment of shares in accordance with the acquisition of ABL Europe (note 36, page 163)

Statement of Directors' responsibilities in respect of the Annual report and accounts

The Directors are responsible for preparing the Annual report and accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period.

In preparing financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Strategic Report, confirm that, to the best of their knowledge:

- The Group and Parent Company financial statements, which have been prepared in accordance with the UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and the Parent Company and of the loss of the Group; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

In the case of each Director in office at the date the Directors' report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Group's and Parent Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Parent Company's auditors are aware of that information.

Independent auditors

A resolution concerning the re-appointment of PricewaterhouseCoopers LLP will be proposed at the Company's AGM in 2024.

Greenhouse gas emissions report

Details on greenhouse gas emissions are set out in the ESG Report in the Strategic Report on page 49-65.

Statement of employee engagement

Details of the actions that have been taken during the financial year in order to keep employees informed of matters of concern and awareness of the financial and economic factors affecting the performance of the Group is described in Group's Stakeholders section of the Strategic Report on pages 15-19.

Statement of engagement with suppliers, clients and others.

The statement of how the Directors have engaged with suppliers, clients and others is described in the Group's Stakeholders section of the Strategic Report on pages 15-19, with a working example in action on pages 20-21.

Annual General Meeting

The AGM will be held on Monday 24 June 2024 at the Group's offices at Windrush Court, Transport Way, Oxford, OX4 6LT. The Group encourages shareholders to attend the AGM in person and vote by proxy.

By order of the Board

Stuart Paynter
Director

29 April 2024

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Financial statements

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Notes	Dec-23 £'000	Dec-22 £'000
Continuing operations			
Revenue	4	**89,539**	139,989
Cost of sales		**(49,812)**	(70,808)
Gross profit		**39,727**	**69,181**
Research and development costs		**(59,353)**	(60,937)
Bioprocessing costs		**(43,746)**	(33,886)
Administration expenses		**(25,413)**	(28,223)
Impairment of assets		**(99,284)**	-
Other operating income	4	**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	6	**4,910**	973
Finance costs	6	**(9,263)**	(16,729)
(Loss) before tax		**(188,527)**	**(45,976)**
Taxation	8	**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	34	**(26,672)**	(6,002)
		(184,162)	(45,159)
Total comprehensive income attributable to:			
Owners of the Company		**(161,359)**	(31,332)
Non-controlling interest	34	**(28,110)**	(3,252)
		(189,469)	(34,584)
Basic and Diluted (loss) per ordinary share	9	**(163.11)**	(41.29p)

The loss for the year is attributable to the owners of the parent.

Consolidated and Company Statement of Financial Position

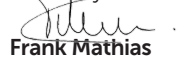
for the year ended 31 December 2023

	Notes	Group Dec-23 £'000	Group Dec-22 £'000	Company Dec-23 £'000	Company Dec-22 £'000
Assets					
Non-current assets					
Intangible assets & goodwill	11	**30,981**	105,886	**-**	**-**
Property, plant and equipment	12	**75,692**	133,780	**36,543**	39,394
Investments	13	**-**	-	**246,738**	341,237
Trade and other receivables	15	**4,340**	5,010	**-**	**-**
		111,013	**244,676**	**283,281**	**380,631**
Current assets					
Inventories	14	**12,872**	12,625	**-**	**-**
Trade and other receivables	15	**24,741**	61,594	**-**	**-**
Cash and cash equivalents	16	**103,716**	141,285	**47**	19,197
		141,329	215,504	**47**	19,197
Current liabilities					
Trade and other payables	17	**17,802**	36,579	**1,578**	143
Provisions	19	**747**	-	**-**	**-**
Contract liabilities	18	**21,598**	18,370	**-**	**-**
Deferred income	18	**514**	894	**-**	**-**
Lease liabilities	32	**3,654**	3,295	**740**	683
Deferred tax	23	**-**	525	**-**	**-**
		44,315	**59,663**	**2,318**	**826**
Net current assets / (liabilities)		**97,014**	**155,841**	**(2,272)**	**18,371**
Non-current liabilities					
Provisions	19	**7,710**	8,424	**2,715**	2,758
Contract liabilities	18	**4,494**	76	**-**	**-**
Deferred income	18	**837**	1,069	**-**	**-**
Loans	20	**38,534**	39,780	**38,534**	39,780
Lease liabilities	32	**69,270**	71,206	**34,199**	34,939
Put option liability	21	**9,348**	38,182	**-**	**-**
Deferred tax liabilities	23	**-**	5,588	**-**	**-**
		130,193	**164,325**	**75,448**	**77,477**
Net assets		**77,834**	**236,192**	**205,561**	**321,525**
Equity attributable to owners of the parent					
Ordinary shares	24	**48,403**	48,132	**48,403**	48,132
Share premium account	25	**380,333**	379,953	**380,333**	379,953
Other reserves	29	**(1,812)**	(24,887)	**1,580**	26,843
Accumulated losses	28	**(352,918)**	(198,545)	**(224,756)**	(133,403)
Equity attributable to owners of the Company		**74,006**	**204,653**	**205,561**	**321,525**
Non-controlling interest	34	**3,828**	31,539	**-**	**-**
Total equity		**77,834**	**236,192**	**205,561**	**321,525**

The Company's registered number is 03252665.

The Company made a loss for the year of £119,947,000 (2022: £4,804,000).

The financial statements on pages 128-163 were approved by the Board of Directors on 29 April 2024 and were signed on its behalf by:



Frank Mathias

Chief Executive Officer

Consolidated and Company Statement of Cash Flows

for the year ended 31 December 2023

	Notes	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash flows from operating activities					
Cash (consumed in)/generated from operations	30	**(36,027)**	(13,173)	**(9,847)**	10,146
Tax credit received		**7,510**	558	**-**	-
Net cash (used in)/generated from operating activities		**(28,517)**	**(12,615)**	**(9,847)**	10,146
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		**-**	(99,206)	**-**	-
Purchases of property, plant and equipment	12	**(9,832)**	(16,296)	**-**	-
Proceeds on disposal of property, plant and equipment	12	**8,390**	60,000	**-**	-
Loans to subsidiary		**-**	-	**(2,318)**	(153,603)
Other initial direct costs in relation to leases		**-**	(1,420)	**-**	(1,420)
Interest received	6	**4,248**	460	**-**	-
Net cash generated / (used) in investing activities		**2,806**	**(56,462)**	**(2,318)**	(155,023)
Cash flows from financing activities					
Proceeds from issue of ordinary share capital	24,25	**651**	80,154	**651**	80,154
Costs of share issues		**-**	(2,952)	**-**	(2,952)
Interest paid	20	**(4,136)**	(4,554)	**(4,136)**	(4,554)
Loans repaid		**-**	(31,424)	**-**	(31,424)
Loan arrangement fees		**-**	(3,224)	**-**	(3,224)
Payment of lease liabilities	32	**(3,117)**	(1,120)	**(683)**	-
Payment of lease liabilities interest	32	**(6,101)**	(3,124)	**(2,817)**	(422)
Loans received		**-**	64,866	**-**	64,866
Net cash (used in)/ generated from financing activities		**(12,703)**	**98,622**	**(6,985)**	102,444
Net (decrease) / increase in cash and cash equivalents		**(38,414)**	**29,545**	**(19,150)**	(42,433)
Cash and cash equivalents at 1 January 2023	16	**141,285**	108,944	**19,197**	61,630
Movement in foreign currency balances		**845**	2,796	**-**	-
Cash and cash equivalents at 31 December 2023	16	**103,716**	**141,285**	**47**	19,197

Consolidated Statement of Changes in Equity Attributable to Owners of the Parent

for the year ended 31 December 2023

				Reserves						
Group	Notes	Ordinary shares £'000	Share premium account £'000	Merger £'000	Other Equity £'000	Translation £'000	Accumulated losses £'000	Total £'000	Non-controlling interest £'000	Total equity £'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	24,25	106	78	-	-	-	(29)	155	-	155
Value of employee services	28	-	-	-	-	-	5,922	5,922	549	6,471
Deferred tax on share options	28	-	-	-	-	-	125	125	-	125
Issue of shares excluding options	24,25	4,938	75,062	-	-	-	-	80,000	-	80,000
Cost of share issues	25	-	(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	-	-	-	-	-	-	-	34,642	34,642
Acquisition of NCI without a change in control	34	-	-	-	-	-	400	400	(400)	-
Put Option recognition	21	-	-	-	(38,996)	-	-	(38,996)	-	(38,996)
Put Option revaluation	21	-	-	-	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)**	**(161,359)**	**(28,110)**	**(189,469)**
Transactions with owners:										
Share options										
Proceeds from shares issued	24,25	271	380	-	-	-	-	651	-	651
Value of employee services	28	-	-	-	-	-	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	29	-	-	-	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**

Company Statement of Changes in Equity Attributable to Owners of the Parent

for the year ended 31 December 2023

				Reserves			
Company	Notes	Ordinary shares £'000	Share premium account £'000	Merger £'000	Other Equity £'000	Accumulated losses £'000	Total £'000
At 1 January 2022		43,088	307,765	1,580	18,792	(128,584)	242,641
Loss for period		-	-	-	-	(4,804)	(4,804)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(4,804)**	**(4,804)**
Transactions with owners:							
Share options							
Proceeds from shares issued	24,25	106	78	-	-	(15)	169
Value of employee services	28	-	-	-	6,471	-	6,471
Issue of shares excluding options	24,25	4,938	75,062	-	-	-	80,000
Cost of share issues	25	-	(2,952)	-	-	-	(2,952)
At 31 December 2022		**48,132**	**379,953**	**1,580**	**25,263**	**(133,403)**	**321,525**
Loss for period		-	-	-	-	(119,947)	(119,947)
Foreign currency translation differences		-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(119,947)**	**(119,947)**
Transactions with owners:							
Share options							
Proceeds from shares issued		271	380	-	-	(184)	467
Value of employee services		-	-	-	3,516	-	3,516
Total contributions		**271**	**380**	**-**	**3,516**	**(184)**	**3,983**
At 31 December 2023		**48,403**	**380,333**	**1,580**	**28,779**	**(253,534)**	**205,561**

Notes to the Financial Information

1 Accounting policies

Oxford Biomedica plc ("the Company") is a public company limited by shares, incorporated and domiciled in England, and listed on the London Stock Exchange. The consolidated financial statements for the year ended 31 December 2023 comprise the results of the Company and its subsidiary undertakings (together referred to as "Oxford Biomedica" or the "Group").

As at 31 December 2023, the Company's principal subsidiaries were Oxford Biomedica (UK) Limited and Oxford Biomedica (US) LLC.

The Group is a cell and gene therapy research, development and bioprocessing business providing services to third parties as well as performing internal research and development for its own purposes. The Group currently has no marketed pharmaceutical products.

Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

The Group and parent Company financial statements were prepared in accordance with UK-adopted international accounting standards. As more fully explained in the Directors' Report on pages 115-121 and below, the going concern basis has been adopted in preparing the financial statements.

A summary of the material Group accounting policies is set out below.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the financial statements, are disclosed in note 2.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value:

- Assets held at fair value through profit & loss
- Put option liability

Non-current assets and disposal groups held for sale are stated at the lower of the previous carrying amount and fair value less costs to sell.

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 £120.0 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.

Accounting developments

The Group has adopted the following IFRSs in these financial statements:

- Amendment to IAS 12 - deferred tax related to assets and liabilities from a single transaction
- Disclosure of accounting policies - Amendments to IAS 1

At the date of authorisation of these Group financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards has been adopted early by the Group.

The Directors anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group financial statements.

Basis of consolidation

The consolidated financial statements comprise the Company and its subsidiary undertakings for the year to 31 December each year. Subsidiaries are entities that are directly or indirectly controlled by the Group. Subsidiaries are consolidated from the date at which control is transferred to the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The Group does not currently have any associates.

All intra-group transactions and balances are eliminated on consolidation.

Foreign currencies

Foreign currency transactions

The Group's presentational currency is sterling. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within operational costs.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into sterling at the exchanges rates at reporting date. The income and expenses of foreign operations are translated into sterling at the average exchange rate for the year, with the exception of the impairment charge in 2023 which has been translated at the year end rate.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

The assets and liabilities of foreign operations are translated to the Group's presentational currency at foreign exchange rates in effect at the Statement of Financial Position date. The revenue and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates in effect at the dates of the translations. Exchange differences arising from the translation of foreign operations are reported as an item of other comprehensive income and accumulated in an exchange reserve and subsequently reclassified to the Consolidated Income Statement on disposal of the net investment.

Revenue

Revenue comprises income derived from bioprocessing of clinical product for clients, fees charged for providing development services to clients, product and technology licence transactions, royalties, options and milestones.

Platform

The Group bioprocesses batches on behalf of clients who use this manufactured clinical product for clinical and commercial purposes. The bioprocessing of a batch creates an asset with no alternative use and the Group has an enforceable right to payment for performance completed to date, thereby meeting IFRS 15.35. Bioprocessing of clinical/commercial product for clients

is therefore recognised on a percentage of completion basis over time as the processes are carried out using the Input Method under IFRS. Progress is determined based on the achievement of verifiable stages of the process with incremental adjustments made based on the percentage of completion of the next unachieved verifiable stage. The gross amount due from clients, on all partnerships with regards to bioprocessing batches in progress for which costs incurred plus recognised profits exceed progress billings, is presented separately as a contract asset within the note to Trade and Other receivables as presented in the Statement of Financial Position.

Consideration received in excess of the stage of completion will be deferred until such time as it is appropriate to recognise the revenue. The Group has determined that its contracts with clients do not contain a significant financing component.

Revenues for providing process development activities to clients are recognised during the period in which the service is rendered on a percentage of completion basis over time as the processes are carried out. The process development activities are recognised over time as the activities create an asset that has no alternative use to the Group and the Group has an enforceable right to payment for the work packages within the process development activity completed to date.

- Oxford Biomedica (UK) Ltd makes use of the output method under IFRS with revenue being recognised based on the achievement of verifiable stages of the process, except for project management services which are recognised based on the input method.
- As a resut of the processes and procedures implemented by Oxford Biomedica (US) LLC for the purposes of tracking and accounting for its costs against projects, the company makes makes use of the input method under IFRS with revenue being recognised based on the labour and other resources expended to provide the services as a percentage of the total expected effort to complete the services.

Technology licences that have been established by the Group have all been determined as “right to use” licences, rather than “right to access” licences. As such, the revenue from these licences is recognised at the point in time at which the licence transfers to the client.

The granting of the technology licences to the Group's background intellectual property and know-how constitutes a “right to use” licence as the Group's clients are able to conduct development work on the licence independent of the Group. The Group is incentivised separately for its performance obligations in relation to development work and milestone payments. The criteria for recognising these technology licences as “right to access” licences has therefore not been met.

The achievement of milestones relating to bioprocessing or process development activities are assessed against the conditions stipulated in the relevant agreements or contracts. Each milestone is determined as either binary or non-binary.

Milestones that are considered to be binary relate to the achievement of specific events rather than the provision of, for example, support. Milestones related to the achievement of the specific deliverables are considered to be binary milestones and will be recognised in full once it is deemed highly probable that the milestone will be achieved.

Milestones related to the provision of support services are considered to be non-binary. Milestones are recognised on a percentage of completion basis, but taking into account the likelihood of achievement of the deliverable. Amounts receivable on the achievement of the milestone represents variable consideration and has been allocated to the relevant performance obligation.

Options to technology licences are considered to form part of the technology licence performance obligation and as such are recognised when the client exercises the option to obtain that licence. Options to technology licences are not considered to be material rights because the client needs to pay fair value at point of exercising.

Product

Product licences that have been established by the Group have all been determined as “right to use” licences, rather than “right to access” licences. As such, the revenue from these licences is recognised at the point in time at which the licence transfers to the client.

The granting of the product licences to the Group's background intellectual property and know-how constitutes a “right to use” licence as the Group's clients are able to conduct development work on the licence independent of the Group. The Group is incentivised separately for its performance obligations in relation to development work and milestone payments. The criteria for recognising these technology licences as “right to access” licences has therefore not been met.

Where amounts receivable in respect of milestone payments are binary, they will be recognised in full once it is deemed highly probable that the conditions associated with the milestone payment have been met. Payments linked to "success" such as regulatory filing or approval, or achievement of specified sales volumes, are recognised in full when the relevant event occurs.

Non-binary milestones are recognised on a percentage of completion basis in the period in which related costs are incurred, or over the estimated period to completion of the relevant phase of development or associated clinical trials. Amounts receivable on the achievement of the milestone represents variable consideration and has been allocated to the relevant performance obligation.

Royalty revenue is recognised as the underlying commercial sales of the underlying manufactured product occur to third parties of contracted clients.

Cost of sales

Cost of sales comprises the cost of bioprocessing clinical product for clients, the cost of client development project activities, and royalties arising on clients’ licences.

The cost of client development project activities includes the labour costs, overheads and other directly attributable material and third party costs. Costs are recognised as incurred.

The cost of bioprocessing clinical product for clients includes the raw materials, labour costs, overheads and other directly attributable third party costs. Costs are recognised as incurred.

The Group's products and technologies include technology elements that are licencced from third parties. Royalties arising from such clients' licences are treated as cost of sales. Where royalties due have not been paid they are included in accruals. Where revenue is spread over a number of accounting periods, the royalty attributable to the deferred revenue is included in prepayments.

Research, development and bioprocessing

Research, development and bioprocessing expenditure is charged to the statement of comprehensive income in the period in which it is incurred.

Employee benefit costs

Employee benefit costs, notably holiday pay and contributions to the Group's defined contribution pension plan, are charged to the Statement of Comprehensive Income on an accruals basis. The assets of the pension scheme are held separately from those of the Group in independently administered funds. The Group does not offer any other post-retirement benefits.

Share based payments

The Group's employee share option schemes, long term incentive plans, a sharesave scheme and deferred bonus plans allow Group employees to acquire shares of the Company subject to certain criteria. The fair value of options granted is recognised as an expense of employment in the Statement of Comprehensive Income with a corresponding increase in equity. The fair value is measured at the date of grant and spread over the period during which the employees become unconditionally entitled to the options where the options are not nil cost options. Nil cost options are valued at the market price on the date of grant of the options. The fair value of options granted under the share option schemes and sharesave scheme is measured using the Black-Scholes model. The fair value of options granted under the LTIP schemes, which includes market condition performance criteria, is measured using a Monte Carlo model taking into account the performance conditions under which the options were granted. The fair value of options granted under the deferred bonus plans is based on the market value of the underlying shares at the date of grant of these options.

At each financial year end, the Group revises its estimate of the number of options that are expected to become exercisable based on forfeiture such that at the end of the vesting period the cumulative charge reflects the actual options that have vested, with no charge for those options which were forfeited prior to vesting. When share options are exercised the proceeds received are credited to equity.

Options over the Company's shares have been awarded to employees of Oxford Biomedica (UK) Ltd. In accordance with IFRS 2 'Share- based Payments', the expense in respect of these awards is recognised in the subsidiaries' financial statements. In accordance with IFRS 2 the Company has treated the awards as a capital contribution to the subsidiaries, resulting in an increase in the cost of investment and a corresponding credit to reserves.

Employee Benefit Trust

The Oxford Biomedica Employee Benefit Trust (EBT) has been set up to hold market-purchased shares to settle share awards made to Executive Directors and employees. Within the Company financial statements, the investment in the Oxford Biomedica Employee Benefit Trust forms part of the Investments and loans in subsidiary, taking the form of a loan to subsidiaries. The EBT is consolidated within the Group financial statements.

Leases

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components, and to account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset, or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method, from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining relevant interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured if:

- there is a change in the Group's estimate of the amount expected to be payable under residual future lease payments;
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option; or
- there is a revised in-substance fixed lease payment.

If a lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in property, plant and equipment and lease liabilities as a category on the face of the Statement of Financial Position.

Short term or low-value leases

The Group has elected not to recognise right-of-use assets and lease liabilities of short term and low-value leases. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Sales & Leaseback

A sale and leaseback is where the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer.

For sale and operating leasebacks, generally the assets are sold at fair value, and accordingly the profits and loss from the sale are recognised immediately in the Statement of Profit and loss. The fair value is determined by obtaining a valuation from an independent property valuation firm.

A sale occurs when control of the underlying asset passes to the buyer. A lease liability is recognised, the associated property, plant and equipment asset is derecognised, and a right of use asset is recognised at the proportion of the carrying value relating to the right retained. Any gain or loss arising relates to the rights transferred to the buyer.

Finance income and costs

Finance income and costs comprise interest income and interest payable during the year, calculated using the effective interest rate method. It also includes the revaluation of external loans denominated in a foreign currency.

Financing expenses include interest payable and finance charges on lease liabilities recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation

In 2023 and before, the Group was entitled to claim tax credits in the United Kingdom for certain research and development expenditure. The Group receives a Research and Development Expenditure Credit ('RDEC') which is accounted for as a reduction in research and development costs in the statement of comprehensive income, and within trade and other receivables in the Statement of Financial Position. The credit is paid in arrears once tax returns have been filed and agreed. For expenditure starting on or after 1st April 2023, the Research and Development Expenditure Credit (RDEC) rate will increase from 13% to 20%. As the financial year end of OXB is 31 December 2023, this will be applied pro rata for 2023. The benefit to the Group of this change for 2023 is estimated to be £1.4 million. However, there is now also a requirement to provide additional information alongside the claim, including technical narratives for a certain proportion of the research and development projects for which a claim is being made.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the Statement of Financial Position date.

Deferred tax is calculated in respect of all temporary differences identified at the Statement of Financial Position date except for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base. Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits within the same jurisdiction in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date.

Measurement of deferred tax liabilities and assets reflects the tax consequence expected to fall from the manner in which the asset or liability is recovered or settled.

Property, plant and equipment

Property, plant and equipment are carried at cost, together with any incidental expenses of acquisition, less depreciation. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values on a straight-line basis over the expected useful economic lives of the assets concerned. Depreciation of an asset begins when it is available for use. The principal annual rates used for this purpose are:

Freehold property	10%
Leasehold improvements	10% (over remaining term of the lease if shorter)
Office equipment and computers	20-33%
Bioprocessing and laboratory equipment	14% -20%

The assets' residual values and useful lives are reviewed annually. Residual values are set at zero and will be reassessed should the asset's selling price exceed its net book value.

The bioprocessing plants are reviewed annually for impairment triggers and, where necessary, a full impairment review is performed.

Assets under construction are capitalised throughout the course of the construction period with depreciation starting once the asset is available for use.

Assets capitalised under a category of fixed assets may be transferred to another category within fixed assets if, upon review, it is identified that the asset is more appropriately identifiable with that other category of fixed asset.

Intangible assets & Goodwill

Recognition and measurement

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Developed technology	Developed technology acquired by the Group (see note 11) has a finite useful life. It is measured at cost less accumulated amortisation and any accumulated impairment losses.
Patents	Patents have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intellectual property rights comprise third party patent rights or rights to market commercial products for key therapeutic indications that have been purchased by the Group.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

- patents: 3–20 years
- developed technology: 15 years

Amortisation charges are included within research, development and bioprocessing costs in the Statement of Comprehensive Income.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Impairment

The carrying value of non-financial assets is reviewed annually for impairment, or earlier if an indication of impairment occurs, and provision made where appropriate. Charges or credits for impairment are passed through the statement of comprehensive income.

For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are separately identifiable cash flows or cash-generating units. Impairment losses are recognised for the amount by which each asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. Value in use is calculated using estimated discounted future cash flows. The key assumptions used in calculating the discounted future cash flows are management estimates, based where possible on available market information and information for similar products.

Impairment charges are included on the face of the statement of comprehensive income.

Cash generating unit (CGU)

A cash generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

Investments in subsidiaries

Investments are carried at cost less any provision made for impairment. Options over the Company's shares have been awarded to employees of subsidiary companies. In accordance with IFRS2, the Company treats the value of these awards as a capital contribution to the subsidiaries, resulting in an increase in the cost of investment.

Investments in subsidiary undertakings, including shares and loans, are carried at cost less any impairment provision. Such investments are subject to review, and any impairment is charged to the statement of comprehensive income.

At each year end, the Directors review the carrying value of the Company's investment in subsidiaries. Where there is a material and sustained shortfall in the market capitalisation, or a significant and sustained change in the business resulting in a decrease in market capitalisation, the Directors consider this to be a trigger of an impairment review as set out in IAS 36, and the carrying value of the Company's investments in subsidiaries is adjusted. The Directors consider that reference to the market capitalisation of the Group is an appropriate external measure of the value of the Company's subsidiaries for this purpose.

At year end, the Directors will assess the requirement to write back a portion or all of any impairment previously recognised on its investment in subsidiaries. Factors which will be taken into account with regard to this decision will be the Group's track record of improved financial results across the last three to four years, as well as the expectation of future impairments being required after a write back was accounted for.

Financial assets

Assets at fair value through profit and loss

The gain or loss on Assets at fair value through profit and loss is recognised in the statement of comprehensive income.

Bank deposits

Bank deposits with original maturities between three months and twelve months are included in current assets and are valued at amortised cost.

Financial instruments

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal, and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above, are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates, or significantly reduces an accounting mismatch that would otherwise arise.

Derecognition

Financial assets

The Group derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred, or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership, and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed), is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables

Trade receivables are recognised initially at the transaction price as these assets do not have significant financing components, and are subsequently measured at amortised cost. The Group recognises loss allowances for receivables under the expected credit loss model as established by evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Contract Assets

Contract assets relate to the Group's rights to consideration for work completed but not invoiced at the reporting date for commercial development work and bioprocesing batches. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the client.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits repayable on demand, and other short term highly liquid investments with original maturities of three months or less.

Deposits

Deposits consist of amounts held in escrow and is included within other receivables within the Statement of financial position until such time as the restrictions relating to those amounts have been lifted.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Contract liabilities

Contract liabilities primarily relate to the advance consideration received from clients for commercial development work and bioprocessing batches, and funded research and development activities.

Deferred income

Deferred income primarily relates to the advance consideration received for grants.

Provisions

Provisions for dilapidation costs and other potential liabilities are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using the 3 year historical inflation rate. The increase in the provision due to the passage of time is recognised as a finance cost.

Share capital

Ordinary shares are classified as equity. Costs of share issues are charged to the share premium account.

Merger reserve

A merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under s612 and s613 of the Companies Act 2006.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process, and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Non-controlling interests (NCI)

NCI are measured initially at the Group's proportionate interest in the recognised amount of the identifiable assets and liabilities of the acquiree. NCI are measured subsequently at their proportionate share of the subsidiary's net assets at the reporting date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When a foreign operation is disposed of in its entirety, or partially such that control, significant control or joint control, is lost, the cumulative amount in the translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Financial liability: loans

On initial recognition, external loans are measured at fair value plus directly attributable transaction costs. On subsequent measurement, external loans are measured at amortised cost under the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period. The calculation of the effective interest rate takes into account the estimated cash flows which consider all the contractual terms of the financial instrument, including any embedded derivatives which are not subject to separation.

Financial liability: Put options

Where a put option with non-controlling shareholders (NCI) exists on their equity interests, a liability for the fair value of the exercise price of the option is recognised.

Management have assessed that the NCI still have access to the returns associated with the underlying ownership interests, and have therefore chosen to apply the present access method under which the corresponding entry is recognised in Other Equity. As required by IFRS, Oxford Biomedica has chosen to apply an accounting policy, to be applied consistently for all put liabilities: that subsequent to initial recognition, changes in fair value of the put liability will be recognised in equity.

The value of the put liability is determined using a Monte Carlo simulation which calculates the expected future exercise value of the put option, taking into consideration Oxford Biomedica (US) LLC's forecasted cash flows over the period up until the expected exercise date along with the expected volatility of those cash flows 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. 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.

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 (FVLCOD) 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 FVLCOD were as follows:

The Group assessed the FVLCOD 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 FVLCOD 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 units 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 FVLCOD 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 FVLCOD 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 forecasts 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;
- The calculation includes a Group technology licensing charge for the use by the CGU of the Group's Lentivector technology platform. The charge is estimated until such time as a transfer pricing study is completed;
- Expected volatility of cash flows – should the expected volatility of OXB (US) LLC cash flows vary, this may impact the FVLCOD of the CGU.

Sensitivities

31-Dec-23	Higher/ Longer £'ms	Lower/Shorter £'ms
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) LLCof £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.

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

3 Financial risk management

Financial risk factors

The Group has a simple corporate structure which consists of the Company and two main operating subsidiaries, one domiciled in the UK and the other in the US. Monitoring of financial risk is part of the Board's ongoing risk management, the effectiveness of which is reviewed annually. The Group's agreed policies are implemented by the Chief Financial Officer, who submits reports at each Board meeting. The Group does not use financial derivatives, and it is the Group's policy not to undertake any trading in financial instruments.

Foreign exchange risk

In 2023, the Group's revenues were mostly receivable in Sterling and US Dollars, and certain of its expenditures were payable in Euros and US Dollars. The majority of the UK based entities' operating costs are denominated in Sterling. A 10% difference in the £/$ average exchange rate would have had an impact of approximately £426,000 (2022: £1,121,000) over the year. The US based entities' revenue and operating costs are all in USD.

The Group also has exposure to the £/$ exchange rate due to the Oaktree loan facility denominated in Dollars. Had the £/$ exchange rate been 10% different, the impact on cost in 2023 would have been approximately £461,000 (2022: £455,000).

The Group also has exposure to the £/€ exchange rate due to the need to fund certain expenditure denominated in Euros. Had the average £/€ exchange rate been 10% different, the impact on cost in 2023 would have been approximately £426,000 (2022: £418,000). The Group's policy is to hold the majority of its funds in Sterling and US Dollars. No other hedging of foreign currency cash flows is undertaken.

Interest rate risk

The Group's policy is to maximise interest receivable on deposits, subject to maintaining access to sufficient liquid funds to meet day to day operational requirements and preserving the security of invested funds. With the current level of bank interest rates at the start of the year, interest receivable on bank deposits in 2023 was £4,910,000 (2022: £973,000).

On 10 March 2022, the Group drew down an $85 million loan facility with Oaktree to finance the acquisition of Oxford Biomedica (US) LLC, under a 1 year facility agreement maturing in 2023. 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 under the Short-Term Loan Facility 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.

If interest rates had been 1% higher in 2023 the impact on cash interest paid would have been £nil (2022: £nil) as the rate is capped..

Credit risks

Cash balances are mainly held on short term deposits with financial institutions with a credit rating of at least A, in line with the Group's policy to minimise the risk of loss.

Trade debtors are monitored to minimise the risk of loss (note 16).

Loss allowances on intercompany balances

The Company performs an assessment of the required loss allowance for expected credit losses on financial assets. The expected credit losses are estimated by reference to an analysis of the subsidiary's current financial position and future repayment expectations.

Derivative financial instruments and hedging

There were no material derivatives at 31 December 2023 or 31 December 2022 which have required separation, and hedge accounting has not been used.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to minimise the cost of capital.

Group	2023 £'000	2022 £'000
Net Cash	65,182	101,505
Equity	77,834	236,192
Debt/Equity	-84%	-43%

4 Segmental analysis and segmental reporting

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:

1. 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
2. the 'Product' segment, which includes the costs of research and development of new gene therapeutic product candidates.

Revenues, other operating income and operating (loss) by segment

Operating EBITDA and Operating loss represent the Group's measures of segment loss as they are a primary measure used for the purpose of making decisions about allocating resources and assessing performance of segments.

2023	Platform £'000	Product £'000	Total £'000
Revenue	89,410	129	89,539
Other operating income	2,803	-	2,803
Operating EBITDA	(45,081)	(7,742)	(52,823)
Impairment of assets	(99,284)	-	(99,284)
Depreciation, amortisation and share based payment	(30,652)	(1,489)	(32,141)
Change in fair value of asset held at fair value through profit and loss	74	-	74
Operating loss	(174,943)	(9,231)	(184,174)
Net finance cost			(4,353)
Loss before tax			(188,527)

2022	Platform £'000	Product £'000	Total £'000
Revenue	139,903	86	139,989
Other operating income	2,307	-	2,307
Gain on sale and leaseback	21,389	-	21,389
Operating EBITDA	11,654	(10,023)	1,631
Depreciation, amortisation and share based payment	(29,551)	(2,250)	(31,801)
Change in fair value of asset held at fair value through profit and loss	(51)	-	(51)
Operating loss	(17,948)	(12,272)	(30,220)
Net finance cost			(15,756)
Loss before tax			(45,976)

Other operating income of £2.8 million (2022: £2.3 million) includes sub lease rental income of £2.2 million (2022: £1.4 million) in relation to a portion of the Patriot's Park property in the US accounted for as a as a short term lease, and grant income to further develop supply chain capabilities of £0.6 million (2022: £0.9 million) which is included within the Platform segment.

Costs are allocated to the segments on a specific basis as far as possible. Costs which cannot readily be allocated specifically are apportioned between the segments using relevant metrics such as headcount or direct costs.

An impairment charge of £99.3 million has been recognised in respect of the Platform division in 2023. No intangible assets or fixed assets of any significant value have been assessed to be assigned specifically to the Products division, and therefore no impairment has been required as a result of the decision by the Group to look for alternative funding for the Product division.

A segmental or geographical split of assets and liabilities is not provided because this information is not received or reviewed by the chief operating decision-maker. All assets are located within the United Kingdom and United States.

Disaggregation of revenue

Revenue is disaggregated by the type of revenue which is generated by the commercial arrangement.

2023	Platform £'000	Product £'000	Total £'000
Bioprocessing/ Commercial development	82,726	129	82,855
Licence fees & incentives	6,684	-	6,684
Total	**89,410**	**129**	**89,539**

2022	Platform £'000	Product £'000	Total £'000
Bioprocessing/ Commercial development	127,994	86	128,080
Licence fees & incentives	11,909	-	11,909
Total	**139,903**	**86**	**139,989**

Timing of transfer of goods or services

	2023 £'000	2022 £'000
Products and services transferred at a point in time	6,684	11,909
Products and goods transferred over time	82,855	128,080
Total revenue	**89,539**	**139,989**

The majority of the Group's revenue is typically recognised over time as the performance obligations in the contract are being fulfilled.

Unsatified performance obligations

The following table shows revenue remaining from unsatisfied performance obligations:

	2023 £'000	2022 £'000
Revenue remaining to be recognisedon partially or fully unsatified performance obligations	**63,013**	59,643

Results by geographical location

The Group's revenue derives wholly from assets located in the United Kingdom and the United States. Analysed by location the Group's revenues derive predominantly from United Kingdom, United States and Europe:

Revenue by client location	2023 £'000	2022 £'000
UK	3,984	49,939
United States	65,757	61,591
Europe	19,798	28,063
Rest of World	-	396
Total revenue	**89,539**	**139,989**

In 2023 four clients each generated more than 10% of the Group's revenue in the platform segment.

Geographic split of operating loss	2023 £'000	2022 £'000
United Kingdom	(47,542)	(1,465)
United States	(136,632)	(28,755)
Total operating loss	**(184,174)**	**(30,220)**

Geographic split of non current assets	2023 £'000	2022 £'000
United Kingdom	60,881	94,997
United States	50,132	149,679
Total non current assets	**111,013**	**244,676**

5 Employees and directors

The monthly average number of persons (including Executive Directors) employed by the Group during the year was:

By activity	2023 £'000	2022 £'000
Office and management	122	117
Research, development & bioprocessing	732	812
Total	**854**	**929**

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

Employee benefit costs	2023 £'000	2022 £'000
Wages and salaries	68,537	70,042
Social security costs	5,378	6,165
Other pension costs	3,764	3,560
Share based payments	3,516	6,471
Total	**81,195**	**86,238**

Key management compensation	2023 £'000	2022 £'000
Short- term employee benefits	5,162	5,246
Post-employment benefits	311	293
Share based payments	444	2,620
Total	**5,917**	**8,159**

The key management figures above include Executive and Non-Executive Directors and the other members of the CET (known as SET until November 2023). Further information about the remuneration of individual Directors, including the highest paid Director, is provided in the audited part of the Directors' Remuneration Report on page 96-105 which forms part of these financial statements.

The Company had no employees during the year (2022: zero).

6 Finance income and costs

	Group	
	2023 £'000	2022 £'000
Finance income:		
Bank interest receivable	4,910	973
Total finance income	**4,910**	**973**
Finance costs:		
Unwinding of discount in provisions	(528)	(66)
Loss/(gain) on foreign exchange	1,936	(7,975)
Interest payable on loan	(4,570)	(5,564)
Interest payable on finance leases	(6,101)	(3,124)
Total finance costs	**(9,263)**	**(16,729)**
Net finance costs	**(4,353)**	**(15,756)**

7 Expenses by nature

	Note	2023 £'000	2022 £'000
Employee benefit costs	5	81,195	86,238
Depreciation of property, plant and equipment	12	21,504	20,271
Amortisation	11	7,206	6,088
Impairment of assets		99,284	-
Raw materials and consumables used in bioprocessing		14,961	27,449
Operating lease payments		249	231
Net (loss) on foreign exchange		(71)	(751)

Company employee benefit costs include £1,415,000 (2022: £992,000) relating to Non-Executive Directors' costs paid by Oxford Biomedica (UK) Ltd and recharged to the Company.

Depreciation and Amortisation is charged to cost of goods, research and development, and bioprocessing costs in the Statement of Comprehensive Income.

The operating lease payments relate to short term leases which have been accounted for under the IFRS 16 exemption.

During the year, the Group (including its subsidiaries) obtained services from the Group's auditors, PwC and their associates, as detailed below (2022 audit services were provided by KPMG):

Services provided by the Group's auditors	2023 £'000	2022 £'000
Fees payable for the audit of the parent company & Financial Statements	80	50
Fees payable for other services:		
The audit of the Company's subsidiaries	817	895
Additional fees relating to prior period audit	-	98
Review of interim results	45	35
Total	**942**	**1,078**

8 Taxation

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

Current tax	2023 £'000	2022 £'000
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 (charge)/ 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.

The Company has no tax liability, nor is it entitled to tax credits (2022: £nil).

At 31 December 2023, the Group had UK tax losses, with no expiry date, to be carried forward of approximately £127.6 million (2022: £76.2 million).

US income tax

Deferred tax of £nil (2022: £1,792,000) relates to temporary differences relating to intangible assets.

At 31 December 2023, the Group had US tax losses to be carried forward of approximately £19.7 million (2022: £7.3m) that expire 20 years from it being incurred.

Reconciliation of effective tax rate

The tax credit for the year is lower (2022: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Group		Company	
Current tax	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
(Loss) on ordinary activities before tax	(188,527)	(45,976)	(119,947)	(4,804)
(Loss) on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 23.52% (2022 19%)	(44,342)	(8,734)	(28,211)	(913)
Expenses not deductible for tax purposes	2,624	1,985	2,101	28
Income not taxable	(288)	(376)	-	(1,272)
Transfer pricing	-	1,005	-	1,005
Tax deduction for share options less than share option accounting charge	-	517	-	0
Group relief	-	-	-	158
Deferred tax not recognised	43,496	-	24,378	(579)
Rolled over gains	-	4,753	-	1,573
Effects of overseas tax rates	(6,510)	3,074	-	-
Tax losses carried forward to future periods	-	(2,734)	-	-
Adjustments in respect of prior periods	(58)	(307)	-	-
Other	503	-	-	-
Exempt items	211	-	-	-
Total tax credit for the period	**(4,365)**	**(817)**	**-**	**-**

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

9 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.

10 Loss for the financial year

As permitted by section 408 of the Companies Act 2006, the Company's statement of comprehensive income has not been included in these financial statements. The Company's loss for the year was £119,947,000 (2022: £4,808,000).

11 Intangible assets

	Note	Goodwill £'000	Developed technology £'000	Patents £'000	Total £'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**
Amortisation and impairment					
At 1 January 2022		-	-	5,584	5,584
Charge for the period		-	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 Oxford Biomedica (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.

12 Property, plant & equipment

	Freehold property £'000	Leasehold Improvements £'000	Office equipment and computers £'000	Bio-processing and Laboratory equipment £'000	Right-of-use assets £'000	Total £'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**

	Freehold property £'000	Leasehold Improvements £'000	Office equipment and computers £'000	Bio-processing and Laboratory equipment £'000	Right-of-use assets £'000	Total £'000
Cost						
At 1 January 2022	25,409	28,145	10,663	29,505	18,411	**112,133**
Additions at cost	113	7,767	955	7,461	13,038	**29,334**
Reallocations	14	(417)	(6)	409	-	**-**
Acquisitions through business combinations	-	22,747	788	10,436	24,974	**58,945**
Disposals	(15,688)	-	(45)	(127)	-	**(15,860)**
Change of Estimate	-	-	-	-	(1,349)	**(1,349)**
Effects of movements in exchange rates	-	1,986	65	912	2,072	**5,035**
At 31 December 2022	**9,848**	**60,228**	**12,420**	**48,596**	**57,146**	**188,238**
Depreciation & Impairment						
At 1 January 2022	12,652	6,226	6,863	12,519	4,145	**42,405**
Charge for the period	2,052	5,167	2,204	5,916	4,932	**20,271**
Effects of movements in exchange rates	-	47	2	40	19	**108**
Disposals	(8,210)	-	(27)	(89)	-	**(8,326)**
At 31 December 2022	**6,494**	**11,440**	**9,042**	**18,386**	**9,096**	**54,458**
Net book amount at 31 December 2022	**3,354**	**48,788**	**3,378**	**30,210**	**48,050**	**133,780**

Included within Leasehold Improvements are Assets under Construction of £nil (2022:£5.54 million) representing ongoing construction works at Patriots Park, Boston, which will start being depreciated once completed and in use.

Leasehold improvements are capital improvements to buildings which the Group leases. Bioprocessing and laboratory equipment is equipment purchased for the Group's laboratory and bioprocessing processes, and are generally movable from one facility to another.

During the year a sale and leaseback transaction was completed on the Harrow House facility and as a result, assets with a net book value of £3.0 million have been disposed of in the period and a Right of use Asset of £2.1 million recognised at Group. Refer to note 32 for details of the lease.

An impairment indicator relating to the manufacturing and process development operation of the Oxford Biomedica (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.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

Company	Right of Use £'000	Total £'000
Cost		
At 1 January 2022	-	-
Additions at cost	39,717	39,717
At 31 December 2022	**39,717**	**39,717**
Change in estimate	(209)	(209)
Disposals	**-**	**-**
At 31 December 2023	**39,508**	**39,508**
Accumulated depreciation		
At 1 January 2022	-	-
Charge for the period	323	323
At 31 December 2022	**323**	**323**
Charge for the period	**2,641**	**2,641**
At 31 December 2023	**2,964**	**2,964**
Net book amount at 31 December 2023	**36,544**	**36,544**
Net book amount at 31 December 2022	39,394	39,394

The Windrush Court building was owned and then sold by Oxford Biomedica (UK) Ltd in October 2022, after which the building was immediately leased under a 15 year lease by Oxford Biomedica plc on the same day. In the Company's individual accounts, the Company has accounted for the lease as a standalone lease with the resultant lease liability and matching right of use asset, whilst Oxford Biomedica (UK) Ltd has accounted for the transaction as a standalone sale of an asset. However, from a Group perspective the transaction has been accounted for as a sale and leaseback transaction as both companies form part of the same group and both the sale and leaseback was negotiated and entered into at the same time.

13 Company investments and loans in subsidiaries

	Note	2023 £'000	2022 £'000
Shares in Group undertakings			
At 1 January and 31 December		**15,182**	15,182
Loans to Group Undertakings			
At 1 January		**426,855**	273,253
Loan advanced in period		**2,136**	153,602
At 31 December		**428,991**	426,855
Total investments in shares and loans to group undertakings		**444,173**	442,037
Accumulated impairment			
At 1 January		**126,065**	126,065
Impairment in period		**100,150**	-
At 31 December		**226,215**	126,065
Net book amount at 31 December		**217,958**	315,972
Capital contribution in respect of employee share schemes			
At 1 January		**25,264**	18,793
Additions in the period	26	**3,516**	6,471
At 31 December		**28,780**	25,264
Total investments		**246,738**	341,237

The Company recognised a loss allowance for expected credit losses on financial assets. The expected credit losses are estimated by reference to an analysis of the subsidiary's current financial position and future repayment expectations. The loss allowance recognised on loans in subsidiaries at the end of the year was £193.3 million (2022: £93.1 million). In addition to the loss allowance recognised on loans in subsidiaries, an impairment loss is recognised under IAS 36 for shares in Group undertakings and for capital contributions in respect of employee share schemes of £32.9 million (2022: £32.9 million).

The loan from Oxford Biomedica plc to Oxford Biomedica (UK) Limited is unsecured and interest free. The loan is legally due for repayment on demand though the expectation is that it will not be repaid within 12 months of the year end.

Net investment in foreign operations:

The company has designated a $180 million intercompany loan to Oxford Biomedica (US) Inc as a monetary item that forms part of the Group's net investment in Oxford Biomedica (US) LLC with the foreign exchange differences recognised as a separate component in Other Comprehensive income until such time as the investment in Oxford Biomedica (US) LLC is disposed of. A translation loss of £5.3 million was recognised in 2023 (2022: £10.6 million gain). The $180 million loan was converted into equity in February 2024 and remains part of the Group's net investment in Oxford Biomedica (US) LLC.

Interests in subsidiary undertakings

	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by the Group and Company	Nature of business
Oxford Biomedica (UK) Limited	Great Britain	1p ordinary shares	100%	Gene therapy research development and manufacturing
Oxford Biomedica (Ireland) Limited	Ireland	1p ordinary shares	100%	Product release
Oxxon Therapeutics Limited	Great Britain	1p ordinary shares	100%	Dormant
Oxford Biomedica (US) LLC	United States	N/A	80%	Gene therapy research, development and manufacturing
Oxford Biomedica (US) Inc.	United States	1c ordinary shares	100%	Business Development
Invivusbio Limited	Great Britain	1p ordinary shares	100%	Dormant

The registered office of the Company, its UK subsidiaries and Oxford Biomedica (US) Inc. is Windrush Court, Transport Way, Oxford, OX4 6LT. The registered office of Oxford Biomedica (Ireland) Ltd is Earlsfort Terrace, Dublin 2, DO2 T380, Ireland. The registered office of Oxford Biomedica (US) LLC is 1 Patriots Park, Bedford, MA 01730, USA.

In addition, the Group set up the Oxford Biomedica Employee Benefit Trust (EBT) to hold market-purchased shares to settle the 2013 deferred bonus share awards made to Executive Directors and employees (note 26).

All of the above subsidiaries have been consolidated in these financial statements.

At each year end, the Directors review the carrying value of the Company's investment in subsidiaries. Where there is a material and sustained shortfall in the market capitalisation, or a significant and sustained change in the business resulting in a decrease in market capitalisation, the Directors consider this to be a trigger of an impairment review as set out in IAS 36, and the carrying value of the Company's investments in subsidiaries is adjusted. The Directors consider that reference to the market capitalisation of the Group is an appropriate external measure of the value of the Group for this purpose. Cumulative impairment of £226.2 million has been recognised up to 31 December 2023.

14 Inventory

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

Inventories constitute raw materials held for commercial development and 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.

15 Trade and other receivables

	Group		Company	
Current	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
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.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

	2023 £'000	2022 £'000
Sterling	**21,574**	50,395
US Dollar	**7,507**	16,186
	29,081	66,581

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above. The Group does not hold any collateral as security.

Trade 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.

Ageing of past due but not impaired trade receivables:

	2023 £'000	2022 £'000
0 - 30 days	1,054	171
30 - 60 days	1,320	3
60+ days	1,098	1,162
	3,472	**1,336**

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.

16 Cash and cash equivalents

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash at bank and in hand	**103,716**	**141,285**	**47**	**19,197**

17 Trade and other payables

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade payables	**6,052**	13,604	**-**	-
Other taxation and social security	**1,478**	2,347	**-**	-
Accruals	**10,272**	20,628	**1,578**	143
Total Trade and other payables	**17,802**	**36,579**	**1,578**	**143**

18 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.

Contract liabilities consists primarily of deferred bioprocessing and process development revenues, which are expected to be released as the related performance obligations are satisfied over the period as described below:

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**
Grant	514	428	287	122	1,351

	0-1	1-3	3-5	5-10	Total
At 31 December 2022	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Contract Liabilities	**18,370**	**32**	**32**	**12**	**18,446**
Bioprocessing income	10,218	-	-	-	10,218
Process development income	3,136	-	-	-	3,136
Licence fees and incentives	5,016	32	32	12	5,092
Deferred Income	**894**	**1,069**	**-**	**-**	**1,963**
Grant	894	1,069	-	-	1,963

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 (refer note 2: Estimations' for additional information). In 2023 all of the £2.6 million held in contract liabilities at 31 December 2022 was recognised as revenue.

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.

The Company had no contract liabilities or deferred income in 2023 or 2022.

19 Provisions

	Group		Company	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
At 1 January	8,424	6,244	2,758	-
Unwinding of discount	528	66	167	28
New provision	772	3,463	-	3,207
Change in estimate	(552)	(1,349)	(210)	(477)
Derecognition	(715)	-	-	-
At 31 December	**8,457**	**8,424**	**2,715**	**2,758**

	2023	2022	2023	2022
	£'000	**£'000**	**£'000**	**£'000**
Current	747	-	-	-
Non-current	7,710	8,424	2,715	2,758
Total provisions	**8,457**	**8,424**	**2,715**	**2,758**

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 of 7.69% (2022: 5.41%). The unwinding of this discount over time is included within finance costs.

20 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 loan term 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.

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 January	39,780	-	39,780	-
New loan	-	64,866	-	64,866
Interest accrued	4,570	5,564	4,570	5,564
Interest paid	(4,136)	(4,554)	(4,136)	(4,554)
Foreign exchange movement	(2,003)	7,964	(2,003)	7,964
Amortised fees	323	588	323	588
Loan repayment	-	(31,424)	-	(31,424)
Arrangement fees	-	(3,224)	-	(3,224)
At 31 December	**38,534**	**39,780**	**38,534**	**39,780**

21 Put option liability

	2023 £'000	2022 £'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 Oxford Biomedica (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 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.

22 Financial instruments

The Group and Company's financial instruments comprise cash and cash equivalents, trade and other receivables, assets at fair value through profit and loss, trade and other payables, loans and the put option liability. Additional disclosures are set out in the Corporate Governance Report and in note 3 relating to risk management.

The Group had the following financial instruments at 31 December each year.

		Financial assets at fair value through profit & loss		Assets held at amortised cost		Amortised costs, loans & other liabilities	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	16	-	-	103,716	141,285	-	-
Trade receivables and other receivables	15	-	-	24,628	62,605	-	-
Assets at fair value through profit & loss		97	23	-	-	-	-
Trade and other payables excluding tax	17	-	-	-	-	16,324	34,232
Loan	20	-	-	-	-	38,534	39,780
Put Option[1]	21	-	-	-	-	9,348	38,182
At 31 December		**97**	**23**	**128,344**	**203,890**	**64,206**	**112,194**

[1] Although the put option is included within the amortised cost table, it is not measured at amortised cost but at the fair value of the expected consideration payable.

The Company had the following financial instruments at 31 December each year:

		Assets held at amortised cost		Amortised costs, loans & other liabilities	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	16	47	19,197		-
Trade and other payables excluding tax	17		-	1,578	143
Loan	20		-	38,534	39,780
Total		**47**	**19,197**	**40,112**	**39,923**

Floating rate instant access deposits earned interest at prevailing bank rates.

	2023 period average weighted average rate	2022 period average weighted average rate
Sterling	4.50%	1.67%
US Dollars	4.52%	1.26%

Assessment of financial assets by credit risk rating:

Cash and cash equivalents are held with reputable banks with a low assessed risk of default.

All trade receivables are assessed as having a low credit risk rating as the debt is owed by blue chip pharmaceutical groups in the top 10 in the world by market capitalisation, and by biotechnology companies with sufficient cash reserves to satisfy their obligations. There has been no change in the determined risk during 2023, therefore no reconciliation between the 2022 and 2023 closing debtor balance assessed by risk of default has been provided. The opening and closing position was low (2022: low).

Other receivables are rent deposits held in separately administered bank accounts with covenants limiting their use and are as such assessed as having a low risk of default.

The Group considers a financial asset to be in default when:
- The debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past its contracted due date.

Fair value

The Directors consider that the fair values of the Group's financial instruments do not differ significantly from their book values.

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2023 £'000	2022 £'000
Sterling	92,634	117,247
Euro	545	623
US Dollars	10,537	23,415
	103,716	**141,285**

Financial assets classified as level 1 in hierarchy

The investment asset represented by ordinary shares in Orchard Therapeutics Limited is classified as at fair value through profit and loss. Please refer to note 13 for further information.

Financial liabilities classified as level 3 in hierarchy

The Put option liability is classified as at fair value as a liability. Please refer to note 21 for further information.

Measurement of fair values

Valuation techniques and significant unobservable inputs:

The following table shows the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement:
Put option liability	Monte Carlo simulation	Revenues of Oxford Biomedica (US) LLC	— The revenues of Oxford Biomedica (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.
		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.

Sensitivity analysis

For the fair values of the put option liability, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

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

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	**Lease liability £'000**	**Loans £'000**	**Share capital £'000**	**Share premium £'000**	**Total £'000**
At 1 January 2022	9,341	-	43,088	307,765	360,194
Share options	-	-	106	78	184
Issue of shares (exlcuding options)	-	-	4,938	75,062	80,000
Cost of share issues	-	-	-	(2,952)	(2,952)
Loans received	-	64,866	-	-	64,866
Loans repaid	-	(31,424)	-	-	(31,424)
Interest paid	-	(4,554)	-	-	(4,554)
Arrangement fees	-	(3,224)	-	-	(3,224)
Payments for the principal portion of lease liabilities	(1,120)	-	-	-	(1,120)
Payments for the interest portion of lease liabilities	(3,124)	-	-	-	(3,124)
Total change from financing cash flows	**(4,244)**	**25,664**	**5,044**	**72,188**	**98,652**
					0
Other Changes					0
Acquisitions	24,974	-	-	-	24,974
Additions	39,193	-	-	-	39,193
Interest	3,124	5,564	-	-	8,688
Fee amortisation	-	588	-	-	588
Foreign exchange	2,113	7,964	-	-	10,077
At 31 December 2022	**74,501**	**39,780**	**48,132**	**379,953**	**542,366**
Share options	-	-	271	380	651
Interest paid	-	(4,136)	-	-	(4,136)
Payments for the principal portion of lease liabilities	(3,118)	-	-	-	(3,118)
Payments for the interest portion of lease liabilities	(6,101)	-	-	-	(6,101)
Total change from financing cash flows	**(9,219)**	**(4,136)**	**271**	**380**	**(12,704)**
Other Changes					
Additions	4,525	-	-	-	4,525
Disposals	(1,744)	-	-	-	(1,744)
Interest	6,101	4,570	-	-	10,671
Fee amortisation	-	323	-	-	323
Foreign exchange	(1,240)	(2,003)	-	-	(3,243)
At 31 December 2023	**72,924**	**38,534**	**48,403**	**380,333**	**540,194**

Company	**Lease liability £'000**	**Loans £'000**	**Share capital £'000**	**Share premium £'000**	**Total £'000**
At 1 January 2022	-	-	43,088	307,765	350,853
Share options	-	-	106	78	184
Issue of shares (exlcuding options)	-	-	4,938	75,062	80,000
Cost of share issues	-	-	-	(2,952)	(2,952)
Loans received	-	64,866	-	-	64,866
Loans repaid	-	(31,424)	-	-	(31,424)
Interest paid	-	(4,554)	-	-	(4,554)
Arrangement fees	-	(3,224)	-	-	(3,224)
Payments for the principal portion of lease liabilities	55	-	-	-	55
Payments for the interest portion of lease liabilities	(477)	-	-	-	(477)
Total change from financing cash flows	**(422)**	**25,664**	**5,044**	**72,188**	**102,474**
Other Changes					
Acquisitions	-	-	-	-	-

Company	Lease liability £'000	Loans £'000	Share capital £'000	Share premium £'000	Total £'000
Additions	35,567	-	-	-	35,567
Interest	477	5,564	-	-	6,041
Fee amortisation	-	588	-	-	588
Foreign exchange	-	7,964	-	-	7,964
At 31 December 2022	**35,622**	**39,780**	**48,132**	**379,953**	**503,487**
Share options	-	-	271	380	651
Interest paid	-	(4,136)	-	-	(4,136)
Payments for the principal portion of lease liabilities	(683)	-	-	-	(683)
Payments for the interest portion of lease liabilities	(2,817)	-	-	-	(2,817)
Total change from financing cash flows	**(3,500)**	**(4,136)**	**271**	**380**	**(6,986)**
Other Changes					
Interest	-	4,570	-	-	4,570
Fee amortisation	2,817	323	-	-	3,141
Foreign exchange	-	(2,003)	-	-	(2,003)
At 31 December 2023	**34,939**	**38,534**	**48,403**	**380,333**	**502,209**

Exposure to liquidity risk

Group At 31 December 2023 Exposure to Liquidity Risk			Contracted Cashflows				
	Carrying Amount £'000	Total £'000	2m or less £'000	2-12 months £'000	1-2 yrs £'000	2-5 yrs £'000	>5 yrs £'000
Lease Liabilities	72,924	113,286	508	8,931	9,474	31,422	62,951
Loans	38,534	53,961	-	4,306	4,294	45,361	-

Group At 31 December 2022 Exposure to Liquidity Risk			Contracted Cashflows				
	Carrying Amount £'000	Total £'000	2m or less £'000	2-12 months £'000	1-2 yrs £'000	2-5 yrs £'000	>5 yrs £'000
Lease Liabilities	74,501	119,496	-	9,179	18,681	24,353	67,283
Loans	39,780	59,082	-	4,294	4,306	50,482	-

Company At 31 December 2023 Exposure to Liquidity Risk			Contracted Cashflows				
	Carrying Amount £'000	Total £'000	2m or less £'000	2-12 months £'000	1-2 yrs £'000	2-5 yrs £'000	>5 yrs £'000
Lease Liabilities	34,939	59,726	-	3,500	3,500	10,998	41,728
Loans	38,534	53,961	-	4,306	4,294	45,361	-

Company At 31 December 2022 Exposure to Liquidity Risk			Contracted Cashflows				
	Carrying Amount £'000	Total £'000	2m or less £'000	2-12 months £'000	1-2 yrs £'000	2-5 yrs £'000	>5 yrs £'000
Lease Liabilities	35,622	63,226	-	3,500	7,000	6,300	46,426
Loans	39,780	59,082	-	4,294	4,306	50,482	-

23 Deferred taxation

UK deferred tax

The Group has recognised UK deferred tax assets and liabilities at 31 December 2023 and 31 December 2022. In light of the Group's history of losses, recovery of the whole deferred tax asset is not sufficiently certain, and therefore a deferred tax asset has been recognised only to the extent that there is a deferred tax liability.

Finance Act 2020 enacted provisions to increase the UK Corporation tax rate to 19% from 1 April 2021. Finance Act 2021 which was Substantively Enacted on 24 May 2022 included provisions to increase the rate further to 25% effective from 1 April 2023 and this rate has been applied when calculating the UK deferred tax at the year end.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

US deferred tax

The Group have recognised US deferred tax assets and liabilities at 31 December 2023 £nil (31 December 2022: £6.1 million).

The remaining deferred tax assets have not been recognised as there is uncertainty regarding when suitable future profits against which to offset the tax losses will arise.

U.S. deferred tax assets and liabilities are calculated at a blended rate of approximately 28%.

Group - recognised Deferred tax (assets)/ liabiltiies - recognised	Trading temporary differences £'000	Fixed assets £'000	Tax losses £'000	Intangible asset £'000	Total £'000
At 1 January 2023	(1,256)	3,357	(3,490)	7,502	6,113
Foreign exchange	-	-	-	(206)	(206)
Income statement credit	(946)	(1,797)	1,741	(4,905)	(5,907)
At 31 December 2023	**(2,202)**	**1,560**	**(1,749)**	**2,391**	**-**
At 1 January 2022	-	3,051	(3,051)	-	-
Arising on acquisition	-	-	-	7,397	7,397
Foreign exchange	-	-	-	508	508
Income statement credit	(1,256)	306	(439)	(403)	(1,792)
At 31 December 2022	**(1,256)**	**3,357**	**(3,490)**	**7,502**	**6,113**

Group - not recognised Deferred tax (assets)/ liabiltiies - not recognised	Trading temporary differences £'000	Intangibles £'000	Loan relationships £'000	Provisions £'000	Tax losses £'000	Share options £'000	Total £'000
At 1 January 2023	-	(4,819)	-	(248)	(18,249)	(2,305)	(25,621)
Origination and reversal of temporary differences	(385)	(26,714)	-	54	(19,093)	(1)	(46,139)
At 31 December 2023	**(385)**	**(31,533)**	**-**	**(194)**	**(37,342)**	**(2,306)**	**(71,760)**
At 1 January 2022	-	-	(1,668)	(298)	(21,760)	(6,176)	(29,902)
Origination and reversal of temporary differences	-	(4,819)	1,668	50	3,511	3,871	4,281
At 31 December 2022	**-**	**(4,819)**	**-**	**(248)**	**(18,249)**	**(2,305)**	**(25,621)**

Oxford Biomedica plc has unrecognised deferred tax assets of £385,000 (2022: £35,000) relating to non temporary trading differences.

24 Ordinary shares

Group and Company Issued and fully paid	2023 £'000	2022 £'000
Ordinary shares of 50p each		
At 1 January - 96,263,165 (86,175,055) shares	48,132	43,088
Allotted for cash in placing and subscription - (2022:9,876,544) shares	-	4,938
Allotted on exercise of share options -541,188 (2022: 212,646) shares	271	106
At 31 December - 96,804,353 (2022: 96,263,165)	**48,403**	**48,132**

The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of £0.50 per share. There are no restrictions on the ability of shareholders to receive dividends, nor on the repayment of capital. All ordinary shares are equally eligible to receive dividends and the repayment of capital in accordance with the Company's Articles of Association and represent one vote at shareholders' meetings of the Company.

In 2022, as part of the financing arrangements for the Oxford Biomedica (US) LLC acquisition, the Company raised gross proceeds of £80.0 million through a placing of 9,876,544 shares at £8.10 per share. The placing was done in 2 tranches with 5,018,134 shares placed on 28 January 2022, and a further 4,858,410 shares were placed on 10 March 2022.

25 Share premium account

Group and Company	2023 £'000	2022 £'000
At 1 January	379,953	307,765
Premium on shares issued for cash in placing and subscription	-	75,062
Premium on exercise of share options	380	78
Costs associated with the issue of shares	-	(2,952)
At 31 December	**380,333**	**379,953**

26 Options over shares of Oxford Biomedica plc

The Company has outstanding share options that were issued under the following schemes:

- The 2007 Share Option Scheme (approved February 2007)
- The 2007 Long Term Incentive Plan (LTIP) (approved February 2007)
- The 2013 Deferred Bonus Plan (approved February 2014)
- The 2015 Executive Share Option Scheme (approved May 2015)
- The 2015 Long Term Incentive Plan (LTIP) (approved May 2015)
- The 2015 Deferred Bonus Plan (approved May 2015)
- The 2015 Sharesave scheme (approved May 2015)

Share options are granted to Executive Directors and selected senior managers under the Company's Long Term Incentive Plans (LTIP), and Deferred Bonus Plans, and to other employees under the Share Option Schemes and Sharesave scheme. All option grants are at the discretion of the Remuneration Committee. All options granted are equity settled share options, but deferred share awards may be settled in cash at the option of the Remuneration committee.

Options and RSUs granted under the 2007 and 2015 LTIP to Executive Directors and other senior managers are subject to both revenue and market condition performance criteria and will vest only if, at the third anniversary of the grant, the performance criteria have been met. Failure to meet the minimum performance criteria by the third anniversary results in all the granted options lapsing.

The performance criteria are described in the Directors' Remuneration Report. LTIP awards made to date are exercisable at either par or at nil cost on the third anniversary of the date of grant, and lapse 10 years after being granted. For Executive Directors, options granted between 2019 and 2021 also have a 2 year holding period post vesting.

Restricted stock units (RSUs) granted to employees under the 2015 LTIP are issued at nil cost. They are not subject to market condition performance criteria and the lives of the RSUs are ten years, after which the RSUs expire. RSUs granted under the 2015 Scheme cannot normally be exercised before the third anniversary of the date of grant. RSUs are valued based on the market price at the date of grant.

Options granted under the 2007 Share Option Scheme have fixed exercise prices based on the market price at the date of grant. They are not subject to market condition performance criteria and the lives of the options are ten years, after which the options expire. Options granted under the 2007 Scheme during 2012 to 2014, with one exception, vest in tranches of 25% from the first to fourth anniversaries of the grant dates.

Options granted under the 2015 Executive Share Option Scheme have fixed exercise prices based on the market price at the date of grant. They are not subject to market condition performance criteria and the lives of the options are ten years, after which the options expire. Options granted under the 2015 Scheme cannot normally be exercised before the third anniversary of the date of grant.

Options granted under the 2015 Sharesave Scheme have fixed exercise prices based on the market price at the date of grant. They are not subject to market condition performance criteria and the lives of the options are four years, after which the options expire and the cash saved is returned. Options cannot be exercised before the third anniversary of the date of grant.

Share options outstanding at 31 December 2023 have the following expiry date and exercise prices:

Options granted to employees under the Oxford Biomedica 2007 and 2015 Share Option Scheme

2023 Number of shares	2022 Number of shares	Exercise price per share	Date from which exercisable	Expiry date
-	12,860	80p to 140p	Vested	Expired
14,942	16,518	100p to 200p	Vested	03/06/24 to 17/10/24
25,926[1]	38,170	490p	Vested	13/03/25 to 10/06/25
38,944[1]	52,689	275p	Vested	16/05/26 to 13/10/26
78,334[1]	95,927	495p	Vested	13/07/27
104,253[1]	120,903	502p to 904p	Vested	15/02/28 to 07/08/28
292,483[1]	326,889	618p to 705p	Vested	04/01/29 to 12/09/29
408,113[1]	458,426	760p to 817p	Vested	26/06/30 to 05/10/30

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

2023 Number of shares	2022 Number of shares	Exercise price per share	Date from which exercisable	Expiry date
962,995	1,122,382			

[1] Options granted under the 2015 Executive share option scheme.

Options granted to employees under the Oxford Biomedica 2015 Sharesave Scheme

2023 Number of shares	2022 Number of shares	Exercise price per share	Date from which exercisable	Expiry date
-	187,396	422p	Vested	Expired
60,513	98,670	672p	Vested	30/04/24
34,232	71,109	1226p	20-10-2024	20/04/25
471,553	623,097	294p	19-10-2025	19/04/26
566,298	980,272			

Options granted under the Oxford Biomedica 2007 and 2015 Long Term Incentive Plans

2023 Number of shares	2022 Number of shares	Exercise price per share	Date from which exercisable	Expiry date
-	55,774	50p	Vested	Expired
4,378	29,524	50p	Vested	20/06/24 to 17/10/24
43,824	43,824	0p	Vested	10/01/25
82,185	82,185	0p	Vested	16/05/26
123,754[1]	123,754	0p	Vested	17/07/27 to 25/09/27
31,714[2]	39,652	0p	Vested	15/02/28 to 07/08/28
77,062[2]	109,658	0p	Vested	18/04/29 to 12/09/29
99,807[2]	260,577	0p	Vested	26/06/30
208,250[2]	263,297	0p	08/06/24	08/06/31
179,197[3]	205,562	0p	08/06/24	08/06/31
486,616[2]	460,986	0p	29/04/25	29/04/32
711,740[3]	1,403,899	0p	10/09/22 to 20/12/26	18/03/32 to 20/12/32
979,634[2]	-	0p	04/10/26 to 24/11/28	04/10/33 to 24/11/33
1,752,761[3]	-	0p	04/10/24 to 04/10/27	04/10/33
4,780,922	3,078,692			
6,310,215	5,181,346			

[1] Options granted under the 2015 LTIP.
[2] These LTIP awards will vest provided that performance conditions specified in the Directors' Remuneration Report are met. Options granted under the 2015 LTIP.
[3] Restricted Share Options (RSUs) granted under the 2015 LTIP issued to employees vesting over 3 years

Deferred Share Awards

The Executive Directors and certain other senior managers have been awarded deferred bonuses in the form of share options. These options are exercisable at nil p on either the first three anniversaries of the grant or the third anniversary of the grant dependent on the option conditions. Options with a value of £nil vested during 2023 (2022: £1,029,000).

The options granted under the 2013 Deferred Bonus Plan will be satisfied by market-purchased shares held by the Oxford Biomedica Employee Benefit Trust (EBT). As at 31 December 2023, all shares held by the EBT had vested. The EBT is consolidated at year end with the shares held in trust until the exercise of the option. During the year 15,050 shares (2022: 77,376) from the EBT were exercised. Deferred bonus share awards are valued at the market price on the date of grant.

The options granted under the 2015 Deferred Bonus Plan will be satisfied by new issue shares at the time of exercise.

Options granted to employees under the Oxford Biomedica 2013 and 2015 Deferred Bonus Plan

2023 Number of shares	2022 Number of shares	Exercise price per share	Date from which exercisable	Expiry date
25,000	68,725	0p	Exercisable	15/06/24 and 14/10/24
27,402	27,402	0p	Exercisable	04/05/25
32,010	32,010	0p	Exercisable	14/05/26
27,696	27,696	0p	Exercisable	11/07/27
31,815	31,815	0p	Exercisable	07/08/28
59,177	67,793	0p	Exercisable	18/04/29
54,237	64,701	0p	Exercisable	20/06/30
53,046	58,943	0p	08/06/22 to 08/06/24	08/06/31
161,124	175,958	0p	29/04/23 to 29/04/25	29/04/32
329,443	-	0p	04/10/24 to 04/10/26	04/10/33
800,950	555,043			

National insurance liability

Certain options granted to UK employees could give rise to a national insurance (NI) liability on exercise. A liability of £283,000 (2022: £642,000) is included in accruals for the potential NI liability accrued to 31 December on exercisable options that were above water based on the year-end share price of 220p (2022: 443p) per share.

27 Share based payments

LTIP awards (Model used: Monte Carlo)	LTIPs awarded 4-Oct-23	LTIPs awarded 24-Nov-23
Share price at grant date	300p	178p
Exercise price	0p	0p
Vesting period (years)	3	5
Total number of shares under option	913,197	66,437
Expected volatility (weighted average)	43.98%	46.57%
Expected life (years)	3	5
Risk free rate (weighted average)	4.54%	4.12%
Fair value per option	220.29p	113.77p

The tables below show the movements in the Share Option Scheme, Sharesave scheme and the LTIP during the year, together with the related weighted average exercise prices.

Excluding the LTIP, RSU and Deferred Bonus awards which are exercisable at par/nil value, the weighted average exercise price for options granted during the year was nil p (2022: 294.4p).

548,925 options were exercised in 2023 (2022: 290,022), including 34,373 of deferred bonus options (2022: 4,390). The total charge for the year relating to employee share-based payment plans was £3,516,000 (2022: £6,471,000), all of which related to equity-settled share based payment transactions.

	2023		2022	
Share options excluding LTIP	**Number**	**Weighted average exercise price**	Number	Weighted average exercise price in pence
Outstanding at 1 January	**2,102,654**	**565.3p**	1,845,904	695.5p
Granted	**-**	**0.0p**	626,154	294.4p
Forfeited	**(254,588)**	**829.1p**	(182,828)	718.5p
Exercised	**(110,550)**	**1093.1p**	(19,195)	467.0p
Cancelled	**(208,223)**	**27.5p**	(167,381)	829.9p
Outstanding at 31 December	**1,529,293**	**441.4p**	2,102,654	565.3p
Exercisable at 31 December	**1,023,508**	**659.5p**	524,463	520.0p
Exercisable and where market price exceeds exercise price at 31 December	**14,942**	**151.3p**	269,463	520.0p

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

LTIP awards (options exercisable at par value 1p or nil cost)	2023 Number	2022 Number
Outstanding at 1 January	**3,078,692**	1,590,364
Granted	**2,772,592**	2,053,897
Expired	**(666,360)**	(299,132)
Exercised	**(404,002)**	(266,437)
Outstanding at 31 December	**4,780,922**	3,078,692
Exercisable at 31 December	**462,724**	484,371

	2023			2022		
Range of exercise prices	Weighted average exercise price in pence	Number of shares	Weighted average remaining life (years)	Weighted average exercise price in pence	Number of shares	Weighted average remaining life (years)
LTIP:						
Exercisable at par or at nil cost	**0p**	**4,780,922**	**8.7**	1.4p	3,078,692	8.2
Deferred bonus:						
Exercisable at par or at nil cost	**0p**	**800,950**	**7.5**	0p	555,043	6.5
Options:						
50p to 150p	**102p**	**7,386**	**0.4**	101p	21,822	0.9
150p to 250p	**200p**	**7,556**	**0.8**	200p	7,556	1.8
250p to 350p	**21p**	**510,497**	**8.3**	293p	675,786	9.3
350p to 650p	**494p**	**104,260**	**3.0**	452p	321,493	5.6
650+p	**679p**	**899,594**	**6.0**	782p	1,075,997	7.0
At 31 December		**7,111,165**			5,736,389	

28 Accumulated losses

		Group		Company	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 January		(198,545)	(165,806)	(133,403)	(128,584)
Loss for the period		(157,490)	(39,157)	(119,947)	(4,804)
Share based payments		3,117	5,922	-	-
Acquisition of NCI without a change in control		-	400	-	-
Tax on share options		-	125	-	-
Exercise of nil cost options		-	(29)	(184)	(15)
At 31 December		**(352,918)**	**(198,545)**	**(253,534)**	**(133,403)**

The credit to accumulated losses is made up out of the charge for the year relating to employee share-based payment plans of £3,516,000 (2022: £5,442,000) (note 28), £nil (2022: £1,029,000) related to the vesting of deferred share awards made to executive directors and senior managers less £399,000 of share based payment charge allocated to Non controlling interests (2022: £549,000).

Neither the Company nor its subsidiary undertakings had reserves available for distribution at 31 December 2023 or 31 December 2022.

29 Other reserves

Group	Translation Reserve £'000	Other Equity £'000	Merger reserve £'000	Total £'000
At 1 January 2023	7,825	(35,003)	2,291	(24,887)
Put option revaluation	-	26,944	-	26,944
Foreign currency translation differences	(3,869)	-	-	(3,869)
At 31 December 2023	**3,956**	**(8,059)**	**2,291**	**(1,812)**

Group	Translation Reserve £'000	Other Equity £'000	Merger reserve £'000	Total £'000
At 1 January 2022	-	-	2,291	2,291
Put option recognition	-	(38,996)	-	(38,996)
Put option revaluation	-	3,993	-	3,993
Foreign currency translation differences	7,825	-	-	7,825
At 31 December 2022	**7,825**	**(35,003)**	**2,291**	**(24,887)**

Company	Merger reserve £'000	Share Scheme reserve £'000	Total £'000
At 1 January 2023	1,580	25,263	26,843
Exercise of options	-	3,516	3,516
At 31 December 2023	**1,580**	**28,779**	**30,359**

Company	Merger reserve £'000	Share Scheme reserve £'000	Total £'000
At 1 January 2022	1,580	18,792	20,372
Credit in relation to employee share schemes	-	6,471	6,471
At 31 December 2022	**1,580**	**25,263**	**26,843**

Merger reserve

The Group merger reserve at 31 December 2023 and 2022 comprised £711,000 arising from the consolidation of Oxford Biomedica (UK) Ltd using the merger method of accounting in 1996, and £1,580,000 from the application of merger relief to the purchase of Oxxon Therapeutics Limited in 2007.

Share scheme reserve

Options over the Company's shares have been awarded to employees of Oxford Biomedica (UK) Ltd, Oxford Biomedica (US) LLC and Oxford Biomedica (US) Inc. In accordance with IFRS 2 'Share-based Payment' the expense in respect of these awards is recognised in the subsidiaries' financial statements (see note 27). In accordance with IFRS 2, the Company has treated the awards as a capital contribution to the subsidiaries, resulting in an increase in the cost of investment of £3,516,000 (2022: £6,471,000) (refer note 13) and a corresponding credit to reserves.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

30 Cash flows from operating activities

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Continuing operations				
Loss before tax	**(188,527)**	(45,976)	**(119,947)**	(4,804)
Adjustment for:				
Depreciation	**21,504**	20,271	**2,641**	323
Amortisation of intangible assets	**7,206**	6,088	**-**	-
Impairment charge	**99,285**	-	**100,150**	-
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	**-**	588
Net finance costs	**4,353**	15,756	**5,551**	14,033
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	**1,758**	6
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)**	**(9,847)**	**10,146**

31 Pension commitments

The Group operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held in independently administered funds. The pension cost charge of £3,764,000 (2022: £3,560,000) represents amounts payable by the Group to the scheme. Contributions of £434,000 (2022: £403,000), included in accruals, were payable to the scheme at the year-end.

32 Leases

The additions to right of use assets during the year are as a result of the sale and leaseback of the Harrow House facility (£2.9 million) in the UK, and an expansion of the lease in Patriot's Park in the US (£1.0 million).

The Windrush Innovation centre lease was surrendered in November 2023 and the subsequent right of use asset and dilapidation estimate disposed of (£1.1 million). £3.9 million of funding has been received from the landlord at the Patriot's Park site in the US to fund the leasehold improvements undertaken, resulting in a disposal from right of use assets. VMIC equipment with a carrying value of £1.3 million has been reclassified as Property, Plant and Equipment.

In 2022, leases entered into related to those at Patriot's Park (£25.0 million) as part of the acquisition of Oxford Biomedica (US) LLC and £13.0 million related to the new lease liabilities as a result of the sale and leaseback of the Windrush Court facility, and the lease of the Wallingford Warehouse.

The Group leases land and buildings and equipment. Information about leases for which the Group is a lessee, is presented below:

Right-of-use assets:

	Property £'000	Equipment £'000	Total £'000
Balance at 1 January 2023	46,000	2,050	48,050
Additions	4,357	-	4,357
Disposals	(4,544)	(1,305)	(5,849)
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	(1,120)	-	(1,120)
Balance at 31 December 2023	**26,363**	**-**	**26,363**

Company	Property £'000	Total £'000
Balance at 1 January 2023	39,394	39,394
Change in estimate	(209)	(209)
Depreciation charge for the period	(2,642)	(2,642)
Balance at 31 December 2023	**36,543**	**36,543**

Lease liabilities

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Maturity analysis - contractual undiscounted cash flows				
Less than one year	9,439	9,179	3,500	3,500
One to five years	40,896	43,035	14,498	13,300
Six to ten years	43,090	42,224	23,491	23,491
More than ten years	19,861	25,059	18,236	22,935
Total undiscounted cash flows	**113,286**	**119,497**	**59,726**	**63,226**

	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Lease liabilities included in the Statement of Financial Position				
Current	3,654	3,295	740	683
Non-current	69,270	71,206	34,199	34,939
Total lease liabilities at 31 December 2023	**72,924**	**74,501**	**34,939**	**35,622**

	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts recognised in statement of comprehensive income				
Interest on lease liabilities	6,101	3,124	2,817	477
Expense relating to short-term leases	234	178	-	-

	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	9,219	4,244	3,500	422

33 Contingent liabilities and capital commitments

The Group has a letter of credit for £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).

34 Non-controlling interest

The accounting policy selected and applied by the Group to calculate Non-controlling interest (NCI) was the holders' proportionate interest in the recognised amount of the identifiable net assets of the acquiree. 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. Goodwill of £0.6 million and Acquisition of NCI without a change in control of £0.4 million was recognised.

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 attritutable 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**

	2023 £'000	2022 £'000
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**

35 Related party transactions

Identity of related parties

As at 31 December 2023, the Group consisted of:

- a parent, Oxford Biomedica plc;
- one wholly-owned UK trading subsidiary Oxford Biomedica (UK) Limited, the principal trading company;
- one US trading subsidiary, 80% owned, Oxford Biomedica (US) LLC;
- one wholly-owned US subsidiary, Oxford Biomedica (US) Inc;
- one wholly-owned Irish subsidiary, Oxford Biomedica (Ireland) Ltd;
- one wholly-owned UK dormant subsidiary, Oxxon Therapeutics Limited which was acquired and became dormant in 2007 when its assets and trade were transferred to Oxford Biomedica (UK) Limited; and
- one wholly-owned UK dormant subsidiary, Invivusbio Limited, which changed its name on 18 January 2023 from OXB Solutions Limited.

The registered office of the Company, it's UK subsidiaries and Oxford Biomedica (US) Inc. is Windrush Court, Transport Way, Oxford OX4 6LT. The registered office of Oxford Biomedica (Ireland) Ltd is Earlsfort Terrace, Dublin 2, DO2 T380, Ireland. The registered office of OXB Biomedica (US) LLC is 1 Patriots Park, Bedford, MA 01730, USA.

The parent company is responsible for financing and setting Group strategy. Oxford Biomedica (UK) Limited carries out the UK elements of the Group strategy, employs all the UK staff including the Executive Directors, and owns and manages all of the Group's intellectual property. Oxford Biomedica (US) LLC carries out the US equivalent activities.

The proceeds from the issue of shares by the parent are passed from Oxford Biomedica plc to Oxford Biomedica (UK) Limited as a loan, and Oxford Biomedica (UK) Limited manages Group funds and makes payments, including the expenses of the parent company.

	Transactions		Balance outstanding	
	2023 £'000	2022 £'000	2023 £'000	2022 £'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

The loans from Oxford Biomedica plc to Oxford Biomedica (UK) Limited and Oxford Biomedica (US) Inc. are unsecured and interest free. The loans are not due, planned or expected for repayment within 12 months of the year end. The year-end balance on the loans was:

Company: period-end balance of loan	2023 £'000	2022 £'000
Loan to subsidiary : Oxford Biomedica (UK) Ltd	**287,592**	278,091
Loan to subsidiary: Oxford Biomedica (US) Inc.	**141,398**	148,764

The investment in the subsidiaries, of which the loan forms part, has been impaired by £226.1 million (note 14) in previous years.

In addition to the transactions above, options over the Company's shares have been awarded to employees of subsidiary companies. In accordance with IFRS 2, the Company has treated the awards as a capital contribution to the subsidiaries, resulting in a cumulative increase in the cost of investment of £28,781,000 (2022: £25,265,000).

There were no transactions (2022: none) with Oxxon Therapeutics Limited.

Company: transactions with related parties

There were no other outstanding balances in respect of transactions with Directors and connected persons at 31 December 2023 (2022: none). Key person remuneration can be seen in note 5 of the financial statements.

36 Post balance sheet event

Acquisition of ABL Europe

On the 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 €10 million of pre-completion cash funding from Institut Mérieux in 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.

Oxford Biomedica (France) is a pure-play European CDMO with specialised expertise in the development and manufacturing of solutions for biotechs and biopharma, 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 Oxford Biomedica's capacity in process and analytical development and early-stage manufacturing, and addresses increased client demand for the Groups ' process development services. Oxford Biomedica (France) currently works on more than 10 cell and gene therapy programmes spanning disease areas including more than six different vector types.

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.

ABL Europe changed its name to Oxford Biomedica (France) SAS on 22 March 2024.

Conversion of intercompany loan to equity

During February 2024, the Company has converted a US$180 million intercompany loan (note 13) to Oxford Biomedica (US) Inc to equity of Oxford Biomedica (US) Inc.

Independent auditors' report to the members of Oxford Biomedica plc

Report on the audit of the financial statements

Opinion

In our opinion, Oxford Biomedica plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's loss and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: Consolidated and Company Statement of Financial Position as at 31 December 2023; Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Cash Flows, Consolidated Statement of Changes in Equity Attributable to Owners of the Parent and Company Statement of Changes in Equity Attributable to Owners of the Parent for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 7, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We performed full scope audit procedures over two significant components of the Group
- We performed full scope audit procedures over the parent company for the purpose of both the parent company opinion and consolidation
- This provided coverage of 100% of revenue, 88% of loss before tax, and 98% of net assets.

Key audit matters

- Stage of completion revenue recognition for incomplete batches (group)
- Impairment of assets of the Oxford Biomedica Solutions component (group)
- The Group and Company's ability to continue as a going concern (group and parent)
- Impairment of investments and loans in subsidiaries (parent)

Materiality

- Overall group materiality: £1,241,000 based on 1% of three year average revenue.
- Overall company materiality: £2,833,000 based on 1% of total assets.
- Performance materiality: £807,000 (group) and £1,841,000 (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Stage of completion revenue recognition for incomplete batches (group)	
Refer to Note 2 Critical accounting judgements and estimates	The audit procedures we performed to address the risk regarding stage of completion revenue recognition for incomplete batches were as follows:
Bioprocessing revenue is recognised on a percentage of completion basis over time as the processes are carried out. Revenue is recognised based on the progress towards verifiable stages of the bioprocessing process. The percentage of completion assigned to each verifiable stage of the bioprocessing process requires estimation in terms of an assessment of the underlying cost base of each stage of production. The value of the revenue recognised on these work orders through to 31 December 2023 with regards to the bioprocessing batches which remain in progress at year end is £12.9m.	For Bioprocessing revenues the following procedures were performed: 1) We assessed management's historical forecasting accuracy of percentage of completion for the prior financial year. 2) We obtained management's revenue recognition paper for bioprocessing batches with respect to the key estimate being underlying batch cost split by phase, agreed this to supporting evidence and challenged management on the allocation of costs between different phases of the process; 3) We assessed the changes to the percentage of completion for each stage of a batch compared to half-year and prior year, understood the rationale for key changes and ran appropriate sensitivities to confirm that management's percentages were reasonable; 4) We attended the last pre year-end and the first post year-end batch review meeting of 2023 and 2024 respectively to ascertain the status of each open batch at year-end and 5) We obtained evidence of the stage of completion for a sample of batches and independently recalculated the stage of completion.
The Group also recognises revenue for fixed price process development work packages 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 work package. The value of revenue recognised on work orders which remain in progress as at 31 December 2023 is £11.9m.	In order to address the risk around open fixed price process development revenues, the following procedures were performed: 1) We assessed management's historical forecasting accuracy of the percentage of completion for the prior financial year; 2) For a sample of open work orders, we obtained management's calculation of the percentage of completion and vouched completed activities to supporting evidence to verify that the stage of completion was appropriate and accurate. The key estimate in this revenue stream related to the value attributed to specific tasks in non-project management work order and we understood how the estimates for the values of these tasks were derived and compared them to similar projects and whether there were any tasks to which an unreasonable value was allocated when compared to other work packages; and 3) We examined margins of customers and work orders that were open at year-end, post year-end to ascertain whether the percentage of completion at year-end was appropriate.
The recognition of both of these revenue streams involves significant estimation uncertainty and subjectivity.	Based on these procedures, we did not identify any exceptions.
Impairment of assets of the Oxford Biomedica Solutions component (group)	
Refer to Note 2 Critical accounting judgements and estimates, Note 11 Intangible assets and Note 12 Property, plant & equipment	The audit procedures we performed to address the risk around the impairment of goodwill and other intangible assets of the Oxford Biomedica Solutions component were:
Under IAS 36 'Impairment of Assets', goodwill must be tested for impairment at least annually and finite life intangible assets tested to the extent there is any indication that an asset may be impaired. Following the acquisitions of the Oxford Biomedica Solutions LLC business ("Solutions") in 2022 goodwill of £0.6m was recognised along with a developed technology intangible	1) Assessed the methodology and approach applied by management in performing the impairment review, including the identification of Solutions as a single CGU and ensured this was consistent with the requirements of IAS 36 'Impairment of Assets'; 2) Obtained management's impairment assessment for the Solutions CGU and ensured the discounted cash flow calculation was mathematically accurate and the methodology used was in

asset of £102.9m and property, plant & equipment of £58.9m.	line with the requirements of IAS 36 'Impairment of Assets'; 3) Tested the underlying data on which the impairment assessment is based. We evaluated the year 1 cash flows and agreed them to underlying support where available, together with assessing the growth rates applied to them. In doing so, we also agreed the cash flow forecasts to the latest Board approved 10 year forecast and compared prior years forecasts to actual results across the Group, in order to assess the accuracy of the forecasting process; 4) Tested the short term revenue growth rate assumption by comparing this to previous growth rates within the Group and market data used by management to support the growth. This includes with respect to the Lenti platform which will be commercialised through the Solutions business from 2025 onwards. Management have estimated that 20% of the current Group pipeline will be routed through the US business; 5) Used our PwC valuation experts to assess the appropriateness of the discount rate and long term growth rate.
Management performed their annual impairment assessment of goodwill and intangibles as at 31 December 2023. The assessment was performed over the Solutions business as a whole as management determined the business to represent a single cash generating unit ("CGU"). The impairment review contains a number of judgements and estimates such as the forecast cash flows, growth rates and discount rates. Management have determined the recoverable amount of the CGU to be the fair value less costs to sell for the business as they expect this value to be higher than the value in use. There is no significant difference between fair value less costs of disposal and value in use in the case of management's discounted cash flow model. Management compared the present value of expected future cash flows to the net asset value of the CGU as at 31 December 2023 and identified a final impairment of £99.3m of which £0.6m was allocated against goodwill, £62.0m against intangibles and £36.7m against Property, plant & equipment.	We concluded that the fair value less costs to sell model prepared by management was consistent with the requirements of IAS 36 and that the resulting impairment charge was materially appropriate. We have confirmed that management have appropriately applied the requirements of IAS 36 in allocating the impairment charge first against goodwill, and subsequently to apportion the remaining charge between fixed assets and intangibles. We also reviewed the adequacy of disclosures made in the financial statements and assessed compliance with IAS 36.
The Group and Company's ability to continue as a going concern (group and parent) Refer to Note 1 Accounting policies to the Consolidated and Company Financial Statements. For the year ended 31 December 2023, the Group used net cash in operating activities of £28.5 million and the Company used net cash in operating activities of £9.8m. Cash and cash equivalents as at 31 December 2023 were £103.7 million for the Group and £0.05 million for the Company. As stated in Note 1 to 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 consolidated and company financial statements, based in the first instance on the Group's 2024 annual budget and forecasts for 2025. The Directors have undertaken an assessment of the forecasts in a base case, severe but plausible downside and mitigated downside case scenario, and identified downside risks and mitigating actions. A substantial proportion of the Group's forecasted revenues under the base case is not covered by binding	For our audit response and conclusions in respect of the group and the company's ability to continue as a going concern, see the 'Conclusions relating to going concern' section below.

purchase orders. The group has a number of mitigating actions in place that are largely within its control and 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. However, under a severe but plausible downside scenario, management is required to commit to these actions in a timely manner including taking mitigating action by the end of Q3 2024 which may include rationalisation of facilities and rightsizing the workforce. As a result, we considered going concern to be a significant risk area warranting additional focus as part of our audit procedures including the evaluation of the levers available to the Directors in order to conserve cash, considering the timing of when such decisions would have to be made in order to have the desired effect on the cash run rate of the business.	
Impairment of investments and loans in subsidiaries (parent) Refer to Note 2 Critical accounting judgements and estimates and Note 13 Company Investments and loans in subsidiaries As at 31 December 2023, the company held investments and loans in subsidiaries with a carrying value of £246.7m (2022: £341.2m). There is a risk that the recoverable amount of investments held at 31 December 2023 falls below their current carrying value and that the loans in subsidiaries are not recoverable. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, and the materiality of the balances in the context of the parent company financial statements, this is considered to be the area that has the greatest potential for material misstatement for the parent company audit. The realisation of the carrying value of the investments and loans in subsidiaries is dependent on the future performance of the trading entities within the Group. The assessment therefore involves judgement, particularly in accurately forecasting future cash flows of fair value less costs to sell. Through this assessment management concluded that an impairment of £100.2m was required.	The audit procedures we performed to address the risk around the carrying value of investments in subsidiaries and recoverability of the intercompany receivables were: 1) We discussed with management the basis of their impairment review and, where triggers were identified, the cash flow forecasts and fair value models; 2) Evaluated the appropriateness of management's initial trigger assessment and, supported by PwC Valuation experts, reviewed and tested management's subsequent detailed fair value models and challenged management's key assumptions including, but not limited to, revenue growth rates, discount rates, long term growth rates and revenue multiples Based on the procedures performed, as summarised above, we agree with the impairment recorded against the investment and loans in subsidiaries held by the company at 31 December 2023.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

In the year ended 31 December 2023, the group operated across the UK, Europe and United States. We have scoped in two of these companies as significant; Oxford Biomedica UK Limited and Oxford Biomedica Solutions LLC. Work performed over Oxford Biomedica UK Limited has been performed by the Group audit team, whilst work performed over Oxford Biomedica Solutions was performed by PwC Boston as component auditor.

For the work performed by the component auditor, we determined the appropriate level of involvement we needed to have in that audit work to ensure we could conclude that sufficient appropriate audit evidence had been obtained for the Group financial statements as a whole. We issued written instructions to the component auditor and held regular communications with them throughout the audit cycle. The Group Engagement Leader and team visited the US during the planning phase of the audit to provide additional direction to the component team and attended the audit close meeting remotely. A working

paper review was also performed over the significant risk areas together with additional workpapers based on engagement team judgement.

In addition, we performed full scope audit procedures over the parent company for the purpose of both the parent company opinion and the consolidated financial statements. The procedures performed to support the consolidated financial statements were performed using a lower overall materiality of £1,178,000 being 95% of the Group overall materiality and a performance materiality of £765,000.

Based on the detailed audit work performed across the Group,we have gained coverage of 100% of total revenue, 88% of profit before tax, and 98% of net assets.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	£1,241,000.	£2,833,000.
How we determined it	1% of three year average revenue	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the annual report, revenue is considered to be the primary measure used by shareholders in assessing the performance of the group and is a key performance indicator.	We believe that a total asset benchmark is appropriate given that the company does not generate revenues of its own and is a holding company for subsidiaries within the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £810,000 to £1,178,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 65% of overall materiality, amounting to £807,000 for the group financial statements and £1,841,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £62,000 (group audit) and £141,650 (company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Testing the mathematical integrity of the Group and Company's cash flow forecasts and assessing management's historical forecasting accuracy.
- Assessing the completeness and accuracy of costs included within the Group and Company's cash flow forecasts based on historical expenditure and committed future costs.
- Assessing the reasonableness of assumptions within the base case model based on our understanding of the business and by comparing against historical results.
- Considering compliance with debt covenants for the Group's loan arrangement with Oaktree.
- Considering the appropriateness of revenues retained in management's downside scenario including agreeing a sample of committed revenues to supporting work orders and assessing the reasonableness of uncommitted revenues retained based on historic conversion rates of such revenues into actual revenue.
- Evaluating a mitigated downside scenario with discretionary expenditure carefully controlled in line with available resources under which the group may seek to rationalise facilities and rightsize the workforce. We evaluated the levers available to the Directors in order to conserve cash, considering the timing of when such decisions would have to be made in order to have the desired effect on the cash run rate of the business. This scenario showed that based on the level of existing cash, the projected income and expenditure (the quantum and timing of some of which is at the Group's discretion) and other potential sources of funding, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual report and accounts, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to The Listing Rules, applicable tax legislation, The UK Corporate Governance Code 2018, and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, either in the underlying books and records or as part of the consolidation process, and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, the Group's legal team and additional personnel outside finance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Review of the component auditor's working papers
- Challenging assumptions and judgements made by management in their significant accounting judgements and estimates that involve considering future events that are inherently uncertain or that may be subject to management bias.

In particular, we focused our work on impairment of goodwill and other intangible assets, the valuation of the put option liability and estimates and judgments relating to revenue.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations
- Testing all material consolidation adjustments to ensure these were appropriate in nature and magnitude.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 23 June 2023 to audit the financial statements for the year ended 31 December 2023 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

David Farmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
29 April 2024

Other information

Glossary

Oxford Biomedica specific terminology

LentiVector® platform

Oxford Biomedica's LentiVector® platform technology is an advanced lentiviral vector based gene delivery system which is designed to overcome the safety and delivery problems associated with earlier generations of vector systems. The technology can stably deliver genes into cells with up to 100% efficiency and can integrate genes into non-dividing cells including neurons in the brain and retinal cells in the eye. In such cell types, studies suggest that gene expression could be maintained indefinitely. The LentiVector® platform technology also has a larger capacity than most other vector systems and can accommodate multiple therapeutic genes.

InAAVate™ platform

Oxford Biomedica's AAV 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.

STAC

Scientific, Technology and Advisory Committee

TetraVecta™ system

Oxford Biomedica's 4th generation lentiviral vector delivery system, which allows for higher quality, potency, safety, expression level and packaging capacity.

Terminology not specific to Oxford Biomedica

Adeno-associated viral vectors (AAV)

AAV based vectors are small and are generally administered directly to patients into target tissues or into the blood. They allow expression of the therapeutic protein in cells that generally do not divide such as in the liver, the brain or eye.

Adenoviral vectors

Adenoviral based vectors are often used to make vaccines to combat pathogens (such as the adenovirus-based Oxford AstraZeneca COVID-19 vaccine). They work by expressing a protein in the vaccine recipient's cells to generate an immune response.

BBSRC CTP programme

This Biological Sciences Research Council (BBSRC) collaborative training partnerships (CTP) programme is a funding opportunity from the UK Research and Innovation organisation. UK registered businesses can apply for funding to set up and run collaborative training partnerships, in collaboration with research organisations. These partnerships should address industrial research challenges. The programme aims to: build capacity; address strategic skills challenges in the UK bio-economy; provide candidates with research, innovation and transferable skills.

CAR-T therapy

Adoptive transfer of T cells expressing Chimeric Antigen Receptors (CAR) is an anti-cancer therapeutic as CAR modified T cells can be engineered to target virtually any tumour associated antigen.

CDMO (Contract Development and Manufacturing Organisation)

A CDMO is a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through to drug manufacturing.

Cell therapy

Cell therapy is defined as the administration of live whole cells in a patient for the treatment of a disease often in an ex vivo setting.

CLIMADA

CLIMate ADAptation a probabilistic natural catastrophe impact model

Clinical trials (testing in humans)

Clinical trials involving new drugs are commonly classified into three phases. Each phase of the drug approval process is treated as a separate clinical trial. The drug-development process will normally proceed through the phases over many years. If the drug successfully passes through all phases it may be approved by the regulatory authorities:

- Phase I: screening for safety
- Phase II: establishing the efficacy of the drug, usually against a placebo
- Phase III: final confirmation of safety and efficacy

CMIP5

Coupled Model Intercomparison Project

Corporate Governance Code
The UK Corporate Governance Code, published by the UK Financial Reporting Council, which sets out standards of good practice in relationship to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

DNA
Deoxyribonucleic acid (DNA) is a molecule that carries genetic information.

ex vivo
Latin term used to describe biological events that take place outside the bodies of living organisms.

FEMA
FEMA is the Federal Emergency Management Agency

Gene therapy
Gene therapy is the use of DNA to treat disease by delivering therapeutic DNA into a patient's cells which can be in an ex vivo or in vivo setting. The most common form of gene therapy involves using DNA that encodes a functional, therapeutic gene to replace a mutated gene. Other forms involve directly correcting a mutation, or using DNA that encodes a therapeutic protein drug to provide treatment.

GxP, GMP, GCP, GLP
GxP is a general term for Good (Anything) Practice. GMP, GCP and GLP are the practices required to conform to guidelines laid down by relevant agencies for manufacturing, clinical and laboratory activities.

in vivo
Latin term used to describe biological events that take place inside the bodies of living organisms.

IP
Intellectual Property (IP) refers to creative work which can be treated as an asset or physical property. Intellectual property rights fall principally into four main areas; copyright, trademarks, design rights and patents.

lentiviral vectors
Lentiviral based vectors integrate into patients' cells and give rise to long term expression and can be used in both dividing and non-dividing cells, to treat conditions such as immunodeficiencies or cancer through CAR-T therapy.

Listing Rules
Listing rules made by the Financial Conduct Authority pursuant to section 73A (2) of the UK Financial Services and Markets Act 2000, as amended from time to time.

LOCA
Localised Constructed Analogue

NGFS
The Network of Central Banks and Supervisors for Greening the Financial System

NOAA
National Oceanic and Atmospheric Administration

Oxford AstraZeneca COVID-19 vaccine
The adenovirus-based Oxford AstraZeneca COVID-19 vaccine, Vaxzevria (formerly known as AZD1222), was co-invented by the University of Oxford and its spin-out company, Vaccitech. The adenovirus-based Oxford AstraZeneca COVID-19 vaccine uses a replication deficient chimpanzee viral vector based on a weakened version of a common cold virus (adenovirus) that causes infections in chimpanzees and contains the genetic material of the SARS-CoV-2 virus spike protein. After vaccination, the surface spike protein is produced, priming the immune system to attack the SARS-CoV-2 virus if it later infects the body.

The vaccine has been granted a conditional marketing authorisation or emergency use in more than 90 countries. It also has Emergency Use Listing from the World Health Organization, which accelerates the pathway to access in up to 144 countries through the COVAX Facility.

OxLEP
Oxfordshire Local Enterprise Partnership

RCP
Representative Concentration Pathway

SSP2
Shared Socioeconomic Pathway 2

SSP3
Shared Socioeconomic Pathway 3

STEM
Science, Technology, Engineering and Mathematics

U1
U1 is a novel enhancer of lentiviral vector production. Oxford Biomedica has generated a modified U1 that increases lentiviral vector titres and improves the P-to-I ratio.

Viral vectors
Are tools commonly based on viruses used by molecular biologists to deliver genetic material into cells.

GLOSSARY (CONTINUED)

Definitions of non-GAAP measures

Operating EBITDA

(Earnings Before Interest, Tax, Depreciation, 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.

Adjusted Operating expenses

Being Operating expenses before Depreciation, Amortisation and Share based payments and the revaluation of investments.

Cash burn

Cash burn is net cash generated from operations plus net interest paid plus capital expenditure.

Advisers and contact details

Advisers

Joint Corporate Broker
RBC Europe Limited
100 Bishopsgate
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