OXB
Preliminary Full Year Results

9th April 2025

Transcript

Disclaimer

Dr. Frank Mathias: Good afternoon to everyone here in London and also good morning to those who are joining us from overseas. Thank you for attending this call today, our analyst briefing for our 24 preliminary results. It's great to see so many people here in the room, known faces, thank you for joining, but we have also a few people joining virtually. So, hello to everyone again.

Presenting with me today we have our Chief Financial Officer, Dr. Lucy Crabtree, who started to join us in September last year and has already made a significant impact during this short period. I'm also pleased to welcome our Chief Business Officer, Dr. Sébastien Ribault. You are known, I believe well here and a lot of you are familiar with him.

Before we dive in, let's start with our agenda for today. As you can see, we will start with an overview of the key achievements across the business highlighting what sets up OXB apart from our peers and how our differentiated pure-play CDMO strategy and cell and gene therapy continues to drive our success. I will then hand over to Sébastien to provide us an update on the strong momentum we are seeing on the commercial side and then Lucy, will take us through our financial performance before handing back to me to wrap up ahead of the Q&A session.

I would like to start by highlighting some of the key figures which demonstrates OXB's outstanding financial performance in 2024. The company has achieved an impressive organic revenue growth of 81% with total revenues increasing by 44% to nearly £130 million. During 2024 our team grew the pipeline by 30% to $570 million, and increased customer orders by 35% to £186 million. We also delivered an EBITA profit in the second half of the year.

This strong business momentum fuelled by growing order book and pipeline reinforces our confidence in achieving both attractive growth and sustainable profitability in line with our forecast. These are all remarkable achievements in 2024. Let me now elaborate on the successful execution on our pure-play CDMO strategy, which we have started more than one year ago.

By integrating our global activities, we have improved our client service, unlocked operational synergies, and strengthened our position as a differentiated multi-vector multi-site CDMO. In January last year, we completed the acquisition of OXB in France, formerly ABL Europe expanding our operational footprint and ability to meet growing demand across Europe.

Less than a year later, we successfully enabled lentiviral vector development and manufacturing capabilities at our France sites, complementing the offering of our facilities in the UK and US. In 2024, the company maintained its focus on quality and innovation, including the launch of our inAAVate™ platform for better AV production, technologies, and GMP manufacturing to enhance vector yield and quality.

The FDA inspection of our Oxford manufacturing site in July last year resulted in zero written observations and this underscores for me the strengths of our robust quality management system and commitment to the highest standards. Our focus on client-centric excellence and an unmatched commitment to quality innovation position OXB as the global partner of choice for pharmaceutical and biotech clients at all stage of the development journey.

The second column here in the middle highlights our strong commercial momentum, reflecting an increased demand for OXB specialised services and expertise across all vector segments. As already mentioned, the contracted value of client orders signed during the year reached approximately £186 million, an increase of approximately 35% and a significant improvement compared to 2023. Primarily driven by late stage lentiviral orders these figures also include an increase in AV client work with the number of contracts signed for AV now almost as high as lentiviral vectors.

We are also pleased to see a rise in orders for other viral vectors now representing approximately one third of our new contracts. 2025 has also got off to a strong start with contracted client orders of approximately £72 million at the end of February. After two months, providing excellent visibility on the year ahead. This momentum can be seen in the broader cell and gene therapy sector forecast to grow at the CAGR of approximately 20% from 2025 through 2030, a market in which OXB is well positioned to thrive.

Now returning to our excellent financial results. We have reported full year 24 revenues of £128.8 million, marking of 44% increase over the last year and an organic revenue growth of 81%, and Lucy will certainly come back to that. The strong revenue growth was driven by several factors including increased lentiviral vector manufacturing for clients in the clinical phase and those preparing for commercial launch, clients advancing their clinical development pathway and new contribution from OXB in France.

We also delivered a significant improvement in our operating EBITDA loss now at £15.3 million for last year, which significantly narrowed by something around £37.5 million compared to 2023 and we achieved a £5 million operating EBITDA profit in the second half of 2024. All this is demonstrating our effective execution against our objective. These results together with strong commercial momentum and growing client demand reinforces our

confidence in delivering significant revenue growth and ability of profitability for full year 2025.

Turning now to the next slide. This is the first set of full year results we are presenting under our new brand identity OXB. Our global integrated network now provides clients with access to best-in-class platform technology and global capabilities across all three geographies, US, UK, and Continental Europe.

To reflect this evolution, we have rebranded as OXB last September establishing a stronger, more distinctive visual identity whilst bringing all our sites under one new unified brand. At the heart of our continued success is our unique competitive positioning in viral vector manufacturing. A key driver of the strong performance we are announcing today and the foundation for sustained long-term growth.

With over 30 years of manufacturing experience by now and deep expertise across lentiviral, AAV and other vector types, OXB is a truly vector agnostic partner, trusted by global pharma, established biotech and emerging innovators alike. Our integrated offering spans the entire evolution from developments to GMP release, powered by world-class facilities, scalable platforms, and a team of leading experts in vector optimisation.

Our track record speaks for itself over 960 GMP batches delivered in the past decade, supporting more than 45 client programs, 30 IND's and more than 65 successful audits. OXB is now positioned as a global partner of choice with integrated capabilities and best-in-class platform technologies that continue to deliver for our clients and drive our growth.

Therefore, I would like now to hand over to Sébastien to provide us an update on the commercial pipeline and some market fundamentals.

Dr. Sébastien Ribault: Thank you, Frank. I will start by repositioning OXB within the global market environment, and it explains why we've been very successful at growing the company last year and continue to do so.

The company made the decision back in 2022 to become a global organisation, so OXB made that first decision to acquire a site in UK to deliver process, analytical development and clinical manufacturing from US. The integration of that site started in Q2 2022. The integration of the site is final now, and it was part of the one OXB strategy to make sure that we could deliver lentiviral development and manufacturing from US, something that we do now very successfully and that we'll continue to do in the future.

It wasn't the only part of the strategy that wasn't only about expanding in US, it was also about expanding in continental Europe to capture the programs executed in continental Europe, but also make sure that we would have enough capacity to acquire clients coming from Asia Pacific. That's the case today with a network of sites, Bedford, Massachusetts, Oxford, UK, Leon and Strasbourg in France.

With these four sites, three geographies, we are able to access 75% of the market, and when I'm saying 75% and it's what you see on that slide, I'm not talking in business volume, it's not a pounds or a dollar value, it's the number of active programs in cell and gene therapy. It may be surprising that we address the Asia Pacific market from Europe and US, but it's the fact that our Japanese clients are very happy to be served out of Bedford, Massachusetts and we have very active discretion for execution of projects from Oxford for companies based in Korea or Australia, to give you only two examples. We're very well positioned, geographically speaking, to address 75% of the market and these 75% today fills our capacity, explaining in part, are good results.

The market keeps growing. I know we talk a lot about the bad news, but if we're looking at what happened last year and what we plan for the next 10 years, we still expect a growth of the market in terms of number of programs, 20% year-on-year, at least up to 2030, if I look at the best projections that we have so far.

Why do we continue to see a strong market? Number of programmes continues to grow clearly for the different vector segments that we serve as a company. AAV is the fastest growth, and Frank mentioned the inAAVate™ platform that is today delivered from the site in US, but also from the site in France with a potential to deliver commercial activities from UK in the future. The second and third fast-growing markets are lentivirus, where historically the company has always been very strong and where we see a lot of maturity, a lot of late stage activity came to us because the CMO's that were serving this project didn't have the commercial track record and didn't have the commercial capacity and capabilities that we already had in place with the company. That explained also why we've been growing nicely last year.

The third one, and it'll be the last that I'll be mentioning here, adenoviruses. You probably all remember the Covid times and OXB manufacturing the AstraZeneca Covid vaccine based on an adenovirus and we continue to have adenovirus demand. Part of the reasons why we acquired the site in Strasbourg in France was also because they had experience in adenovirus manufacturing, and we have additional capacity from continental Europe for projects that require a smaller scale of execution than what we deliver in Oxford for adenovirus projects.

The long-term drivers are still the same. We continue to see the shift from treatment to cure. There was recently, about a week ago or two weeks ago, an interesting article in Nature showing that the likelihood of success of a gene therapy program when it starts its phase 1 is 2.5 times above any other drug, ADC, biologics, any other drug. 2.5 times higher when it starts in phase 1 and the demographics have not changed. There are still the same trends in demographics. The market is strong, and I believe will continue to be around the 20% CAGR that Frank mentioned earlier, and that we see when we look at the projections in terms of projects.

Number of program is one thing, indication is a different one. You see on that slide, the type of indication that can benefit from cell and gene therapy. There are many, oncology is obviously the strongest segment. I don't believe it's a surprise, but CNS, central nervous system, ophthalmology, metabolic disorders are also very strong indications. The biggest change we've seen in the last years and we're looking here on the right side of the slide at the period between 2022 and 2028, the biggest change is the number of patients that can today benefit from cell and gene therapy. Below 150,000 before 2022. Over 1.6 million from 2024 and continuing to 2028. Multiply by more than 10 in less than 10 years, and it's a trend that I believe will continue when I see the programmes that are in development, not only with us but with many other companies or CDMOs. That’s the reason why we have grown our pipeline significantly, and I'm going to start with the pipeline before moving to the number of contract that we've signed.

I often have the question, how do you know that your pipeline is healthy? I know that the pipeline is healthy if we don't have discussions, but we have negotiations. Discussions, we don't know if the project is solid, we don't know if it's funded, we don't know if there is a sound strategy. When we're discussing, there is an ambition, but there is not a project yet. When we're moving to the negotiation stage, that you see here in purple on the left, 62% of our pipeline or when we're moving to the contract finalisation 29% of the pipeline, that's where we know there is something that is solid. 62 plus 29, the vast majority of our pipeline are well-advanced discussions where the clients want to work with us and that's why we're actively working on the contract negotiation.

The maturity of the pipeline is not only about at which stage are we in the negotiation, the maturity of the pipeline is also what are the clinical stages of the programmes that we negotiate at the moment. If you look at what we have here on the right side of the slide, commercial activities or preparation for commercial launch, 32% of our pipeline. Phase three, 16% of our pipeline. Said differently, about 50% of the project on which we currently work with clients to finalise an agreement are between phase three and commercial activities. That's where I see the maturity of our pipeline, and that's why I can say yes, the pipeline is healthy.

Looking at the pipeline, it's a big number and we often have the question, what is there behind? Behind the pipeline there's the risk-adjusted pipeline where we have the probability of success of the program, the probability of success of the negotiation, comparing the value of the risk-adjusted pipeline at the end of 2022 to the value of that risk-adjusted pipeline at the end of 2024. We've seen a growth of 61% of the risk-adjusted pipeline. We show that we're handling not only many more opportunities today than two years ago or even than last year, but the maturity of these opportunities in terms of business side is much higher than it was in the past.

Is that coming from early-stage activities or late-stage activity? It's not 50/50, it's 45/55 as you see it in the middle of the slide here. But 45% of the activities on which we work in terms of a percentage of potential revenue for the future, late-stage activities, these are the phase three and commercial activities I mentioned before. By vector type, if we had had that same discussion at the end of 2022, the vast majority if not all the projects we were discussing were lenti, few exceptions, in the adenovirus space. As of the end of last year, and even as of now, 50% of the pipeline still lentivirus projects. Meaning that now OXB is really a company that is delivering on all the vectors, including the adenoviruses and the AAVs that I mentioned before and a few others, but that didn't make it to this graph because we're talking really about a few exceptions. We define our core offering with AAV and lenti. The non-core is including many vectors including adenoviruses, and you see here that the non-core is about 17% of the ongoing negotiation at the moment.

Moving from opportunities to contract now. Frank said it £186 million of signed order in 2024. We have happy clients. The client satisfaction is extremely high. The highest I've seen in my career and kudos to our team for such an excellent job, and that's the reason why 53% of the opportunities we signed last year were coming from our existing clients, continuation of existing programme, new programmes that they have started with us. We have about one-third of our existing client base working with us on multiple programs. 47% of the opportunities coming from new clients, not only new vectors, but new clients as well with existing vectors.

If we're looking at the split between vectors, that's the biggest change we've seen compared to 2023. 76% of the contracts that we have signed last year were AAV contracts. Again, compared to what we were two years ago with a massive number of lenti projects and a few exceptions in AAV or adenoviruses, 76% of the new clients were on the AAV side, 12% on lenti, 12% on other vectors. If we were in the past, a company delivering from UK with a huge base of US clients, it's also changing. 65% of the opportunities that we won last year are opportunities coming from US still, but we have 30% coming from Europe now, and I mentioned Asia-Pacific, is today 5% of the contract we have signed in 2024, and I hope it will be growing this year as

we expand our BD presence in Asia-Pacific and in Europe as it was initially planned as part of the One OXB initiative.

I will conclude on that slide before handing over to Lucy. When we're talking about the number of programs, it's one thing, what is that covering exactly? That's what you see here on the slide. We have about one-third of the portfolio of active project at the feasibility stage. Is it working? Yes, no, preparation for process development. Meaning that two-thirds are between process development, phase one, phase two, phase three and commercial activity. If I look at the percentage of the late-stage activities in the market and the same percentage of late-stage activity with OXB, the OXB portfolio has a relatively high proportion of late-stage activity. That's because we have the commercial track record. It's because we're manufacturing commercial product already, and we've demonstrated that we knew how to successfully transfer a program from process development into manufacturing, then go through process characterisation and validation to finally build inventory and help our client launching their products.

I started in that presentation talking about the many indications that can today benefit from cell and gene therapy. What you see here on the right side of the slide is the type of indications that we're covering. No surprise that we're covering the key indications that I showed earlier. The portfolio is diversified, the pipeline is diversified. That's why we had great result in 2024, and that's the reason why I am very optimistic for the 2025 results, but I will leave it to Lucy to dig more into these details.

Dr. Lucinda Crabtree: Thank you, Sébastien. As you know, I joined the company seven months ago and have had the great pleasure to get to know the team and the business in this period, and I wanted to start by highlighting what a transformative year we had in 2024, much of which I can't take credit for, but certainly get the privilege to report to you today.

As Frank mentioned earlier, we've had a standout year impressive organic revenue growth of 81%, with total revenues increasing to £128.8 million. This growth was driven by an increase in manufacturing of GMP batches for clients in the clinic and those preparing for commercialisation. We have also seen an increase in process development revenues, including from process characterisation and validation work. For our 2024 accounts we have created two new reporting lines to replace the line previously disclosed as bioprocessing revenues. We will go into this in more detail shortly. However, this disclosure provides enhanced transparency.

As mentioned by Frank and Sébastien, commercial momentum in 2024 was strong, and this trend has continued into 2025. We received £186 million in client orders in 2024, and at the end of February this stood at £72 million for the first two months of 2025. Our revenue backlog is strong and stood at just

under £200 million at the end of February. This figure represents the amount of future revenue available to earn from current orders. Our balance sheet remains strong and sufficient for our needs. Cash at year-end stood at £60.7 million with a net cash position of £20.6 million. I will go into more detail on our working capital movement shortly in order to give you this additional colour.

A key priority for me is ensuring that our business is set up for sustainable profitability. As such, we'll continue to be disciplined on costs while having the resources to grow our business. Our operating EBITDA loss narrowed significantly in 2024 from a £52.8 million loss in 2023 to a £15.3 million loss in 2024. The second half of 2024 was positive on operating EBITDA for the group. While this was mainly driven by the UK, we saw narrowing losses in the US and France, which is a step in the right direction for us as we target an operating profit, EBITDA profit for the full year 2025.

With our new revenue disclosure, we are able to show you the split between manufacturing and development services. Manufacturing services includes GMP manufacture for clients, including early stage clinical GMP manufacture, and late-stage activity. Development services includes process and analytical development across preclinical and early stage, but can also include late stage process characterisation and validation work, which grew in 2024. We saw strong double-digit growth in both areas reflecting the diverse nature of our business. Another additional update is that we have added a new revenue line, procurement and storage services. This is part of our maturing position as a CDMO, where the standard approach to manufacturing includes providing clients the surety of sourcing, supply and storage of raw materials. This is especially important for clients undergoing commercial preparation activities.

Moving on to costs. I'm pleased to report that we were able to deliver this impressive revenue growth without a significant increase in our cost base. In fact, on an operating expense basis, excluding impairment, our cost base decreased by 24% from £128.4 million to £97.6 million. This is a reduction of around £31 million, in line with the business commitment to reduce our annualised ongoing cost base by £30 million, which was communicated to you at the interim results in September 2023. Looking at an adjusted basis, which is the chart on the right, we split out the costs included within operating EBITDA, stripping out non-cash charges, including of course, depreciation, amortisation, and the share option charge, and excluding the benefit of our DEC credits. You'll see that raw materials increase, which was a direct result of an increase in manufacturing and development activity. Manpower costs reduced due to the restructuring completed in 2023. While other costs remained relatively flat. It is our goal to continue looking at operational efficiencies and improved utilisation rates on an ongoing basis.

Next, I would like to discuss our cash position. We started 2024 with just under £104 million of cash. The net cash outflow during 2024 was £42.1 million, which was largely driven by the funding of our operations and by a negative working capital movement of £35.4 million. This working capital movement as shown in the operating cash flow note in our release is primarily driven by the year-on-year movement in trade and other receivables as a result of the high levels of activity on the latter part of 2024. With revenue growth in the second half of the year, this was in line with the expectations and we can expect this trend to continue in 2025 with the second half weighting of our activity again this year.

Moving on to our expectations for 2025. We expect revenues of between £160 million and £170 million for the year. Importantly, of our current orders, £141 million relates to 2025. Over 80% of that revenue guidance is already covered by existing orders. As Sébastien mentioned earlier, we have an impressive business development pipeline, which gives us confidence in achieving this revenue guidance. Considering we are still in the first few months of the year, this is impressive and worth noting that the £141 million order figure is higher than revenues reported for the whole of 2024. This is a stronger position than was communicated at the same time last year, where at the 2023 preliminary financial results we had £82 million of orders relating to 2024, which was equivalent to 64% of full year revenues.

For operating EBITDA, we expect to achieve a low single digit million profit in 2025. Important to re-emphasise, both revenues and EBITDA are expected to be second half weighted, as is usual for our business. This is in part due to shutdowns and annual routine maintenance that occurs at the start of each year. In terms of Capex, we will continue to take a disciplined approach to spend with a focus on maintenance Capex and certain key capital expenditure products throughout 2025. This is expected to be around the low double-digit million range for the year. With our business sensitive to FX fluctuations due to revenues being receivable in US dollars, sterling and euro with certain expenditures payable in euro and US dollars also. This guidance excludes the impact of FX fluctuations.

Beyond 2025, we reaffirm our existing financial guidance, which you will be familiar with. We communicated a three-year revenue CAGR of more than 35% for the years 2023 to 2026. This is based on the approximately £90 million of revenue we had for the full year 2023. With the revenue growth of 44% for 2024, we are well on track for this, and continue to target an over 35% CAGR for 2023 to 2026. For EBITDA, we continue to target operating EBITDA margins of approximately 20% by the end of 2026. Our expectations for 2026 include an increase in manufacture of GMP batches compared with 2025, primarily driven by commercial and late-stage client activity. Early-stage GMP manufacturing is expected to increase as programs for new and existing clients advance into the clinic across UK, US, and France.

Looking beyond 2026, we look to continue to outperform the broader market. With the expectation of market growth of approximately 20% CAGR to 2030, and our continued strengthening competitive positioning as a CDMO focused on cell and gene therapy, we are confident we can exceed market growth. Our aim is to have a market-leading position not just within lenti, but across all key viral vector types. As Sébastien explained earlier, we have the right building blocks to achieve this. With our 30-year track record, diverse client portfolio, and the ability to service clients globally, we are confident in our ability to deliver. Longer term, we expect manufacturing revenues as a proportion of total revenues to increase from approximately 50% in 2024 to circa 70% in 2029. With a growing top line, we expect to benefit from operating leverage, and to also target continued margin expansion throughout this period.

As I wrap up the financial section, I want to leave you with this. We're at the start of long-term growth journey. We're building a disciplined, scalable business, with strong growth expected through 2026 and continued margin expansion, with the potential to outperform the market beyond that. I've taken a hard look at the fundamentals, and I believe what we've guided is not just deliverable, it's the foundation for something bigger. With a sharp focus on cost discipline and sustained revenue growth, we're entering a phase of real opportunity. These results reflect not just strong commercial and financial momentum, but a step change in delivery and a management team focused on execution. The team has delivered what we set out to achieve for full year 2024, and we're determined to keep meeting, if not exceeding, expectations. I'm genuinely excited about what's ahead, and my focus remains laser sharp on driving earnings momentum and delivering value in the next chapter. Thank you, I'll now pass to Frank.

Dr. Frank Mathias: Thank you so much, Lucy. Very nice figures, very encouraging figures, and a very strong outlook for the years to come.

Let me just briefly turn to our vision, mission, and values, which drive everything we do at OXB. As part of our transformation in 2024, we took the opportunity to sharpen how we express these core elements. Our vision is to transform lives through cell and gene therapy, and our mission is to enable our clients to deliver life-changing therapies to their patients. Supporting this are our new values that we launched last year in the summer. We call them the four Rs of our DNA at OXB, responsible, responsive, resilient, and respect are principles that guide how we work and how we grow as a business. As we look ahead now, this clear sense of purpose will continue to guide our strategy and shape the future.

Today's result, I believe, speaks volumes about the progress we have made over the last year, and more importantly, how OXB is positioned to capitalise on the significant growth opportunities ahead. Our clear strategy, delivered

by a highly experienced team under one OXB, is already driving successful business transformation. As mentioned, we continue to see strong market demand for our CDMO services, both in terms of our growing client base and the 35% increase in contracted client orders. This reflects clients recognising the value of our multi-vector expertise and integrated global network. While lentiviral vectors remain the majority of clinical stage and commercial program in our portfolio, the number of projects for AAV and other vector types is growing, with early-stage projects providing the foundation for future growth.

With capabilities and infrastructure in place to support clients across all stage of clinical development in cell and gene therapy, we are well-placed to grow our global portfolio and increase market share across all vector types. As a result, and as it was mentioned by Lucy, we affirm our expectation for 2025. We are on track to achieve significant growth revenue consistent with our medium-term guidance, which is above all industry levels, and we are also on track to reach operating ability and profitability for the full year 2025.

Now, before we come to the Q&A session and open the floor for questions, I want to take a moment to sincerely thank our employees across the US, UK, and France for their dedication, hard work, and ability to embrace change. Our pure-play CDMO strategy and the foundation we have cemented in 2024, such as operational excellence, an exceptional team, strategic client relationships and technological innovation, together with strong financial results and commercial momentum, provide a robust platform for scaling our business and creating long-term value for all our stakeholder. We'll now start to take your questions first from the room, before we then open for the conference call.

Charles Weston: Hi, it's Charles Weston from RBC. Thanks for taking the questions. Three, if I can please. The first on tariffs. I know that we don't know what they are yet, but can you talk about what your exposure might be, and specifically whether you're in charge of exporting from the UK to the US, or Europe I suppose, or whether you deliver to your customer at the factory? Second, on the market environment, things seem to have turned worse in the last month or two. You had a lot of contracts signed in the first couple of months, but has the nature of your discussion with your biotech customers in particular changed in the last month or few weeks, and if not, perhaps why not? Lasty, just on the guidance in 2026, you've talked about an exit rate of roughly 20%. Does that mean a second half? Does exit mean second half, basically, and what might it mean for the full year? Thanks.

Dr. Frank Mathias: We have three questions. Tariffs, market environment, and guidance. Let's perhaps start with the tariffs and Charles, what can we say? The only thing we can say is that we currently monitor all this very seriously. Up to yesterday it was said probably no tariffs for pharmaceuticals. It apparently

changed overnight. We'll consider all this. However, we are, I believe, in a good position. We have a site in US. We're able to produce out of US. We have even started to make some investments there prior to all this announcement. I believe we see that the value of having a footprint in US is growing, obviously.

I believe we are, and that's what we have started to do since 18 months, we are a very agile organisation. We're able to adapt to multiple situations, and that's exactly what we'll do. We'll look at it, we'll react accordingly. If we need to increase production in US, we'll do it. We will look at our supply chains and everything. I believe we are observing this not just since yesterday. We do this on a permanent basis, and therefore I believe we cannot exactly say what might be the impact, but I believe it be below, and if I look at how many is coming out of Europe, going to US, you might answer this one.

Dr. Lucinda Crabtree: I mean, it's relatively modest, to be honest, Charles. We;re going to be tracking this quite significantly. We have some materials that we source outside of the US into the US, but it’s a very, very modest part of our cost base as it stands.

Dr. Frank Mathias: That’s with the beauty of the pandemic, where we learned how we need to adapt supply chains very quickly, and we will be able to do this again. Environment?

Dr. Sébastien Ribault: First, to your point, are we exporting to US? No, we deliver the drug at the door of our facility in UK, so we're not exporting to US. Indeed the market is changing with this tariff discussion, and the market is constantly changing anyway. I showed it, oncology is still the biggest indication. There are many others. The market constantly evolves. Tariff is one additional factor we have to take into account. There may be some benefits for OXB because we have a site in US, because we made the decision two years ago to look at the expansion plans, to make sure that that site would be commercial soon enough, something that we started way before the tariffs discussion. We still are on track to have a commercial-ready facility in 2026 in US. If we have demand from our clients to deliver the commercial product in US for US, we would be able to do so in a few quarters from now. Did that decision have anything to do with the tariff? The answer is no, but it will be ready anyway in case that is necessary.

Have we seen a change in the discussions with our clients? Not that much. Why? Because I don't think that any client who stood in phase two or phase three and ready to move to the commercial stage, I don't think that any of them are holding their breath waiting for what's going to be next on CNN. There is a clinical program, patients are treated, we're not interrupting the supply of drugs to patients. They don't interrupt the supply of drugs to

patients. We continue the discussion. On the very early-stage activities, the 14 programs that I showed at feasibility stage, indeed some of them may delay the start of process development activity if they have difficulties accessing funds. But as of now, it's not something that happened. We've seen two of our clients asking more details about the timeline of our US facility. Does that mean that they've changed anything in their request to OXB in terms of timing? The answer is no.

We continue on the same timeline. We haven't seen any change in timing for 2025. I cannot even say that those who plan to file BLA in 2026 have changed their plan either. I was discussing with our head of business development, who's on... I have two head of business development in US, East Coast and West Coast, and I was talking with the one in charge of the West Coast yesterday, telling me that she even had additional demand to accelerate a BLF that is planned Q1 next year. The environment may be difficult. Again, people are not holding their breath, they continue doing their work.

Dr. Frank Mathias: This brings us to the guidance.

Dr. Lucinda Crabtree: Operating EBITDA margins of approximately 20% by the end of 2026, we're pointing to an exit rate. I can tell you, the business, the management team couldn't be more focused on driving continued margin expansion. As well as revenue growth, that is a real priority for us, and that's looking across the board on operational efficiencies, utilisation rates, key contracts, managing inflation, all of those sorts of things that you might expect. What you will see from us is a commitment to continued margin expansion.

Charles Weston: Thank you.

Andy Smith: Hi, Andy Smith from Equity Development. I've got just a couple of questions actually. The first one, I'm hearing a lot, or am I reading a lot, on CAR T for inflammatory diseases or autoimmune diseases. Do you have to do anything different with an antiviral vector for an inflammatory indication than you would do for an oncology indication? Secondly, following up on Charles's question on tariffs, the appearance of the procurement services line in your accounts, does that mean that clients have been overordering ahead of the prospect of tariffs, or am I reading that wrong?

Dr. Lucinda Crabtree: No, that's not the case. That's a completely separate situation. This is a situation where clients want the surety, where we've got binding forecasts for demand. We need to have the surety that we cater for that binding demand.

Andy Smith: They all go in advance, but not necessarily for a prospect of tariffs?

Dr. Lucinda Crabtree: Yes, and we provide a service there in terms of storage procurement of exactly what it says. I think you should see that completely separate from the tariff situation.

Andy Smith: All right. Then on CAR T for inflammatory diseases, it's a big market, right? Do you have capacity for that?

Dr. Sébastien Ribault: We have capacity for that. We have a number of clients working in that space with us. The process is exactly the same, absolutely no change. You're absolutely right, it opens a very big market, so we're very excited by the opportunities to develop lentiviruses for this space with our clients.

Dr. Frank Mathias: This is in line with what Sébastien have shown previously. When we think about lenti, we think immediately in terms of oncology, but there are a lot of additional areas.

John Priestner: Hi, John Priestner with J.P. Morgan. Thank you very much for taking the questions. Just a couple from me, if I may. First of all, thinking about the 2025 guidance and the revenue phasing, should we think that this is similar to 2024, a 40/60 split and actually the relative growth should be pretty even for 2025? Also thinking about what that means for operating EBITDA, would it be right to think that it's most likely that there would be an operating EBITDA loss in H125?

One more on the pipeline. In terms of what you reported for the unadjusted BD Pipeline, I believe the absolute value was relatively flat from what you reported in September, were there any movements in terms of projects under that top line, and do you expect to continue to be able to grow that BD pipeline or are you capturing the maximum opportunity you can with what you currently have and you'd need to make further expansions to access more of an opportunity? Thank you.

Dr. Frank Mathias: Thank you so much. We start with guidance 2025 and the phasing.

Dr. Lucinda Crabtree: I think you should assume a similar waiting in H2 as we've said. I don't think your assumptions on operating EBITDA are misguided either.

Dr. Frank Mathias: Pipeline movements?

Dr. Sébastien Ribault: It's actually a very good question and we had an interesting discussion, Frank, Lucy, and I, about the pipeline in general and the readjusted pipeline. And the question was how far do you plan to grow the pipeline? My answer was, I'm not planning to grow the pipeline. I'm planning to keep the pipeline stable. I'm planning to grow the number of signatures because when you look at the risk-adjusted pipeline, keep in mind, and that's your question,

that anything that goes out falls off that number and needs to be replaced by something else. It means that when we signed £186 million last year, which is more or less the size of the risk adjusted pipeline, we replaced by the same amount dollars or pounds wise of opportunities to fill the GMP suites and process development labs for the next year. We signed pretty much the entire risk adjusted pipeline and that was replaced by other opportunities.

My ask to the BD team is to make sure that we continue to grow the maturity of the pipeline. I want to see more late-stage activities. I want to see more projects ready for routine manufacturing. I want to see more large volume projects where we can anticipate the need for manufacturing, which makes my colleagues' job in operations easier in terms of planning for the future years. I want more GMP suites fully booked for next year, which is already the case. We have two of our suites fully booked for 2026 already now, so I want more of that. I want a more mature pipeline, but value wise, I would like to keep the risk adjusted pipeline around $200 million.

To the question why is it in dollars when the rest of the numbers are in pounds? Because with a majority of the contracts negotiated in dollars, I want to make sure we don't see the effects impact on the pipeline value, so that's why. So, keeping it stable, but increasing the maturity.

Dr. Frank Mathias: Let me translate this from French to English. When you say you want to, you see it already. You see it already or what you want to see.

Sophia Bolhassan: We'll now take two more questions in the room and then we'll move over to the phone line.

Julie Simmonds: Thank you. Just wondering if you're beginning to see any impact of the changes that we've gone through at the FDA?

Dr. Sébastien Ribault: There has been no change in the cadence of our clients meeting with the FDA. No change in the inspection, timing, nothing. But the news was, I mean, two weeks ago. These programs are multi-years program, so I don't expect to see in two weeks any change.

Julie Simmonds: There was some disruption earlier in the year, so I was wondering if any of that had come through initially.

Dr. Sébastien Ribault: No, not at all.

Julie Simmonds: Excellent. I was wondering, does the effect of what's going on now change where you're looking at investing as far as the US versus UK?

Dr. Sébastien Ribault: We mentioned during the presentation, Frank first and me, the one OXB initiative almost two years ago now. We made investment decision. Either we were very wise or very lucky, but we had plans to invest in the US and continental Europe and we're growing very well in the US and continental Europe. The capacity we had in UK was sufficient for the plan 2023 to 2028. It's still sufficient. Will we see upsides from some of the clinical projects where we see a request for acceleration? There may be upsides, but even with these upsides, the investment plan that we made will be sufficient for the next, let's say three years. We've made the good decisions in the past, we're benefiting from these decisions today.

Jens Lindqvist: Hi Jens Lindqvist from Investec. First of all, in this statement you referred to a postponed investment in Oxbox manufacturing capacity. Just wondering if you could provide a bit more colour on the rationale for that. Secondly on I think you've been a little bit more explicit this time it's dripping FX movements from your financial guidance. Could you just remind me please, what the main sensitivities are at that EBITDA? Thank you.

Dr. Lucinda Crabtree: In terms of FX, I mean a big majority of our revenues are in dollar, dollar denominated. We have a proportion of our costs that are also dollar, but not to the same percentage. Strong dollar good for revenue.

Dr. Sébastien Ribault: On the Oxbox expansion, that plan was built in 2022 and was not activated because the long-range plan shows that we will not need additional capacity in Oxbox before at least 2029. That's the reason why if we activated, we think today that we will activate it around 2028, but that was already the case last year and even the year before. If we need to accelerate, the plan is ready. But as of now, there's no need or plan for an active investment short term in Oxbox.

Sophia Bolhassan: We're now moving on to questions on the phone.

Operator: Thank you. Ladies and gentlemen, if you would like to ask a question, please press star one on your telephone keypad. We will now take our first question from Rick Bienkowski of Cantor Fitzgerald. Please go ahead.

Rick Bienkowski: Good afternoon and thanks for taking the questions and I really appreciate the level of detail you've been able to share with us today. First, just a quick follow up on U.S. tariffs. Do you anticipate any potential increase in input costs for manufacturing in the U.S. that could materially affect your cogs based on where the starting materials are sourced from?

Second you already touched on this a bit, but it looks like the greatest opportunities for revenue growth are through the conversion of late-stage clients to commercial and from early-stage clinical to late-stage clinical.

Could you speak to the historical stickiness of clients as they transposition between development stages and how you're currently thinking about the probabilities of success for your clients' programs?

Dr. Lucinda Crabtree: Look, I mean this is all sort of breaking news and evolving. We can't sit here today and say we are sort of shielded completely from the impact of tariffs. On initial look, it's not something that's unduly concerning us. I think at this juncture we believe that the exposure is manageable but never say never. We'll continue to monitor this and risk mitigate as where possible. As I said earlier, for example, in the US we bring in very relatively small quantum of raw materials outside of the US into the US for our US development activities for example. I would expect that impact to be modest. It's evolving, but at this stage we are not unduly concerned yet.

Dr. Sébastien Ribault: On the conversion of clients, I don't believe that what we see is different from any clinical data. You'll find out there the vast majority of the project fail in clinic, but if they are successful, they stay with us. I cannot remember in the past two years, any client who decided to leave OXB after successful development and phase one, they all stayed with us. I don't think we enjoy a higher conversion rate. We just enjoy a high client satisfaction, and the clients stay with us.

This being said, we also see a constant flow of companies coming to us saying, "We decided to work with a local CDMO. They did a good job in phase one. They don't have the capabilities for phase three, they don't have experience in commercial. Can we tech transfer the project to you guys? Can you support the tech transfer in?" And that's coming on top of the conversion of existing clients. We see a bit of both. It's probably two third, one third. Two third are existing clients who progress and one third are clients coming to us asking for help on phase three and commercial activities. Again, I don't think we see a different conversion rate than others.

Operator: Thank you. There are no further questions in queue. I will now hand it back to Frank Mathias, CEO, for closing remarks.

Dr. Frank Mathias: Thank you. I would like to thank you all for having been a part of this session today. Thank you for your time, for your attention, but also for your thoughtful questions. The year 2024 was a significant year, a year transition as we have announced it at the beginning of last year and I believe we made it very successful year. We appreciate your support. Thank you for that and I wish you now a good end of the day, wherever you are. Thank you so much.

Dr. Sébastien Ribault: Thank you.