



Our vision: to enable the analysis of anything, by anyone, anywhere

Gordon Sanghera, CEO

Tim Cowper, CFO

21 March 2023 | Full Year 2022 Results



THE P2: AFFORDABLE, HIGH-OUTPUT SEQUENCING FOR EVERY LAB
COMPLETE WITH HIGH END COMPUTE, SCREEN FOR SEQUENCING AND ANALYSIS

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Who we are

1

SINGLE MOLECULE SENSING PLATFORM

Building on DNA/RNA to enable the multi-omics world of tomorrow

2

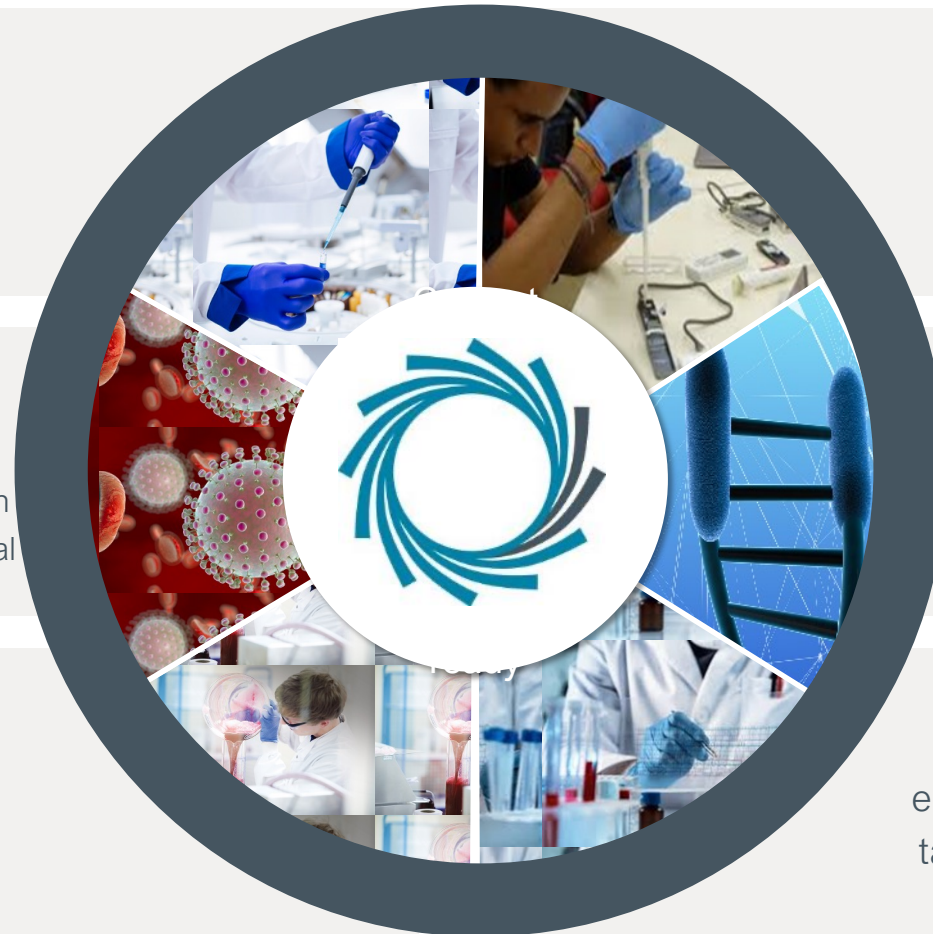
SUBSTANTIAL MARKET OPPORTUNITY

\$6.2¹ billion, growing existing opportunity for sequencing in 2022 with potential \$10s of billions in future clinical and applied markets

3

GROWING USER COMMUNITY

Customers in >120 countries doing ground-breaking science



AGILE INNOVATION

Delivering continuous improvement and intellectual property creation

4

SCALED OPERATIONS

In-house manufacturing and global distribution

5

OUR PEOPLE

Experienced, driven leadership enabled by a highly ambitious and talented global team expanded to >1,000

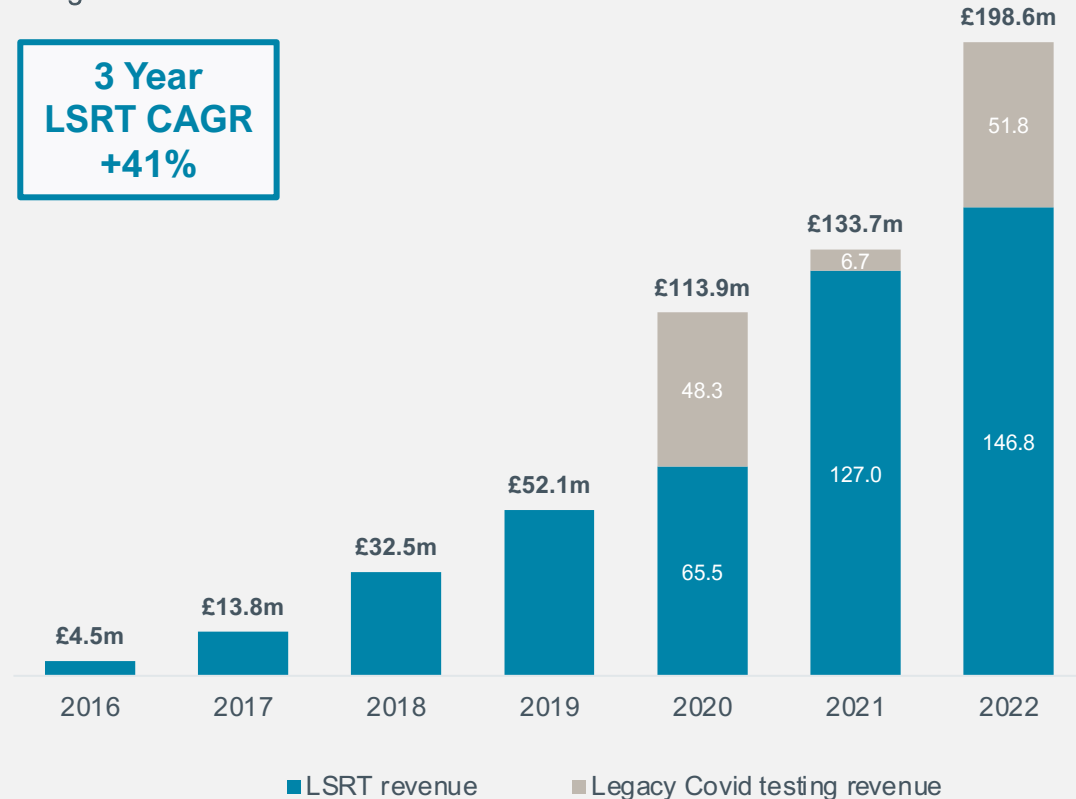
6

Continued robust underlying growth in core Life Science Research Tools (LSRT) business

Revenue

All figures in £m

**3 Year
LSRT CAGR
+41%**



LSRT revenue
£146.8m
(FY21: £127.0m)

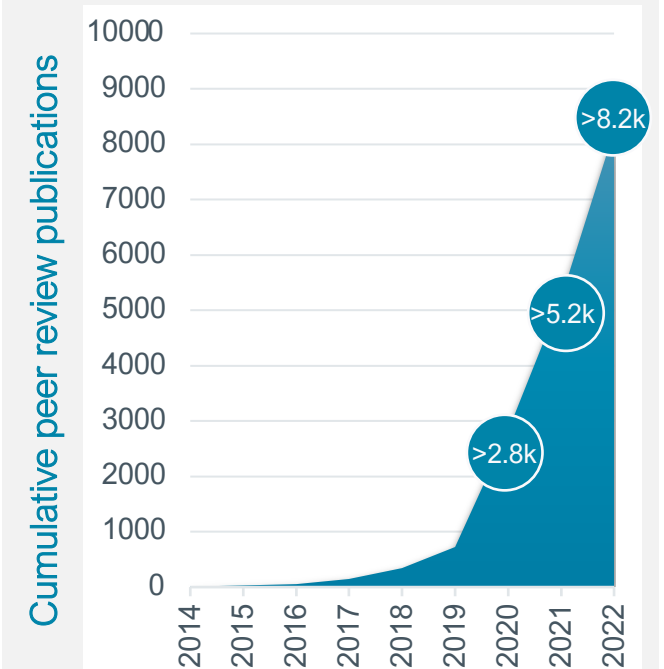
+16% reported growth
+10% CC growth

Revenue from the EGP¹
£13.2m
(FY21: £30.6m)

Revenue from COVID
sequencing
£26.1m
(FY21: £17.5m)

Publications

Our accessibility and versatility is reflected in an increasingly large, international scientific evidence base²



¹The Emirati Genome Program

²publications monitoring methodology was updated between 2021-22 resulting in historical numbers increasing. FY22 COVID-19 testing revenue of £51.8m reflects the settlement of the contract with the DHSC

2022 in numbers

£146.8m

underlying¹ growth
~30%

76%

>8,200

56.3%

+250bps

£558M

STRONG LSRT REVENUE

Total revenue of £198.6m, incl: LSRT revenue of £146.8m and £51.8m non-recurring Covid testing revenue²

CONSUMABLE REVENUE³

Our devices are sold as consumable starter packs making our revenue predominantly consumable

CUSTOMERS SERVED

Representing our broad user base. A 30.5% increase in 2022 from ~6,300

LSRT GROSS PROFIT MARGIN

Driven by automation and improved manufacturing processes

STRONG BALANCE SHEET⁴

Strong cash position supporting our innovation execution and commercial expansion

5

¹Underlying growth – LSRT revenue minus foreign exchange and revenues from the EGP and COVID sequencing

²Following conclusion of the Covid testing contract with the Department of Health and Social Care (DHSC)

³Includes FY22 consumables revenue plus consumables revenue within starter pack sales

⁴Cash, cash equivalents and liquid investments

Delivering across all areas of our business

RESULTS

We are delivering strong revenue growth and margin growth

PLATFORM

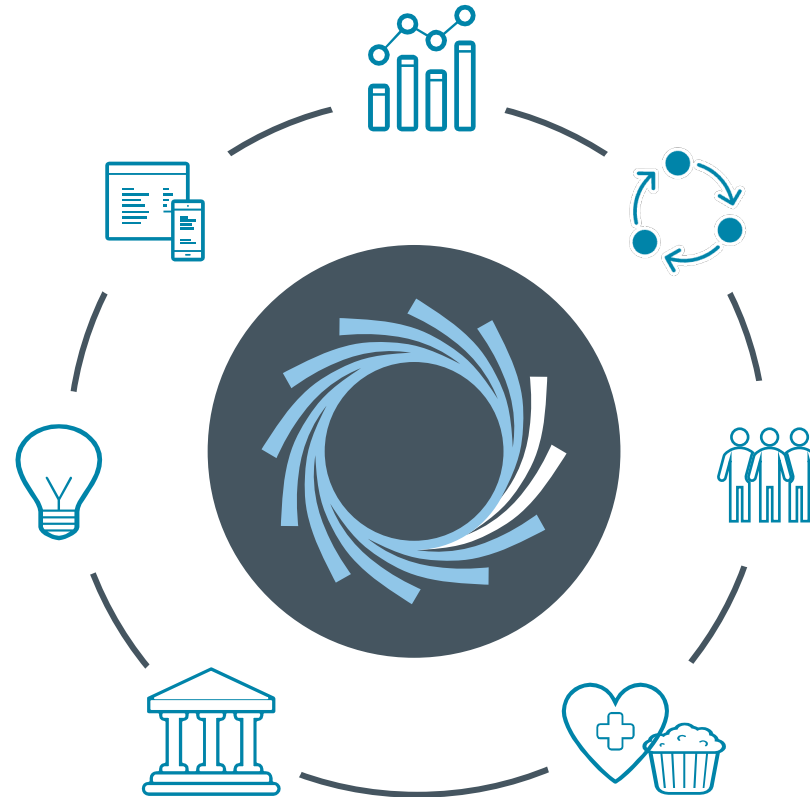
Our platform is highly differentiated from its scalability to information rich

INNOVATION

We have transformed our platform and launched new products

RESILIENCE

We have a strong balance sheet and are moving towards breakeven



EASE OF USE

We drive utilisation with simple end-to-end workflows

COMMERCIAL GROWTH

We are expanding our commercial teams to better serve our customers

BEYOND RESEARCH TOOLS

We're executing on opportunities beyond the life science research market

Innovation drives growth: key product releases

P2solo: HIGH OUTPUT FOR ANY LAB



SHORT FRAGMENT MODE



PROMETHION UPGRADE



In early access
Starter packs from:

\$10,455

Human genomes from
\$690¹

Select in software to
sequence from

20 bases – Mbases

Enables cell free DNA, single cell and
more.
Oxford Nanopore for any-length reads

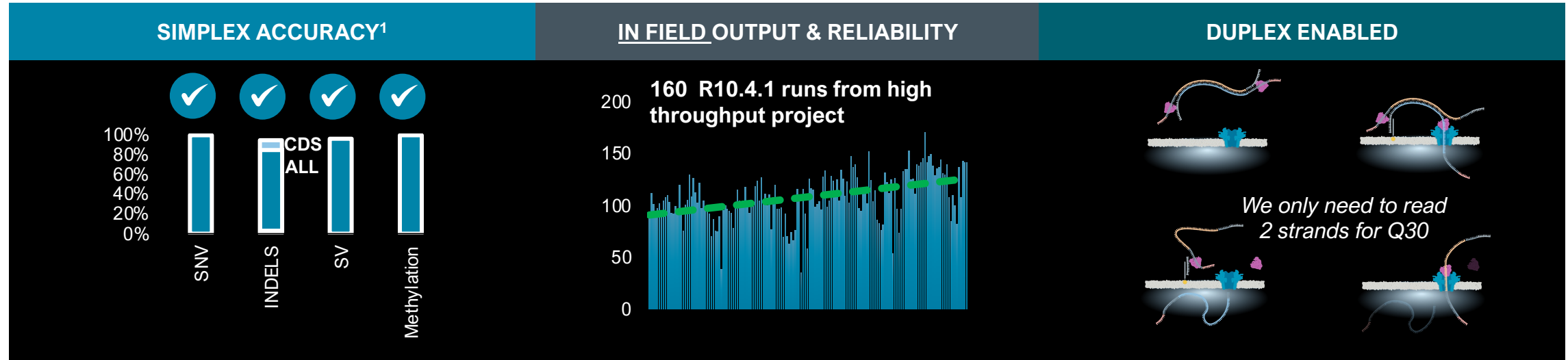
A100 delivering analysis speed
improvements with methylation onboard

Seamless Upgrades

High throughput human
genomes from \$345¹

7 ¹Price per genome includes flow cell and Nanopore library preparation costs. No device amortisation required as devices are included in starter packs

Innovation drives growth: high accuracy sequencing on nanopore (Q20+)



Raw read (simplex) accuracy is greater than

99%

Delivering high precision variant detection



Field outputs routinely above

100 Gb

Per PromethION flow cell and increasing steadily

Duplex achieving single molecule accuracy of

99.9%

Improving rare variant detection and de novo assembly

Innovation drives growth: transforming platform capabilities today and in future

Q20+ CHEMISTRY IN FIELD

Ruibang "Laurent" Luo @aquaquyline · Oct 20, 2022
So excited to have received probably the first P2 solo in the greater China region today. Gonna use it for developing a somatic variant caller and many more exciting projects! #nanopore #precisionmedicine

DNASense @DNASense
We used the @nanopore P2Solo EA device to capture some eukaryotic genomes on the R10.4.1 flow cell. Impressed by the dual-EA results - massive amounts of high-quality long-read (simplex) data (1/3).

nxtgnt @NXTGNT_Ugent · Feb 17
Interesting ONT projects this week, resulting in running 6 @nanopore PromethION R10.4.1 flow cells simultaneously, including a.o. native barcoding and adaptive sampling!
@KoenDeserranno @Laurentjnt @NGScore_Ugent

Luke Blagdon Snell @lukebsnell
Have to see it to believe it. @nanopore R10 flow cells, v14 kit chemistry, SUP basecalling, duplex reads. Median quality score= 30. Significant number Q>40. game changed. 🎮

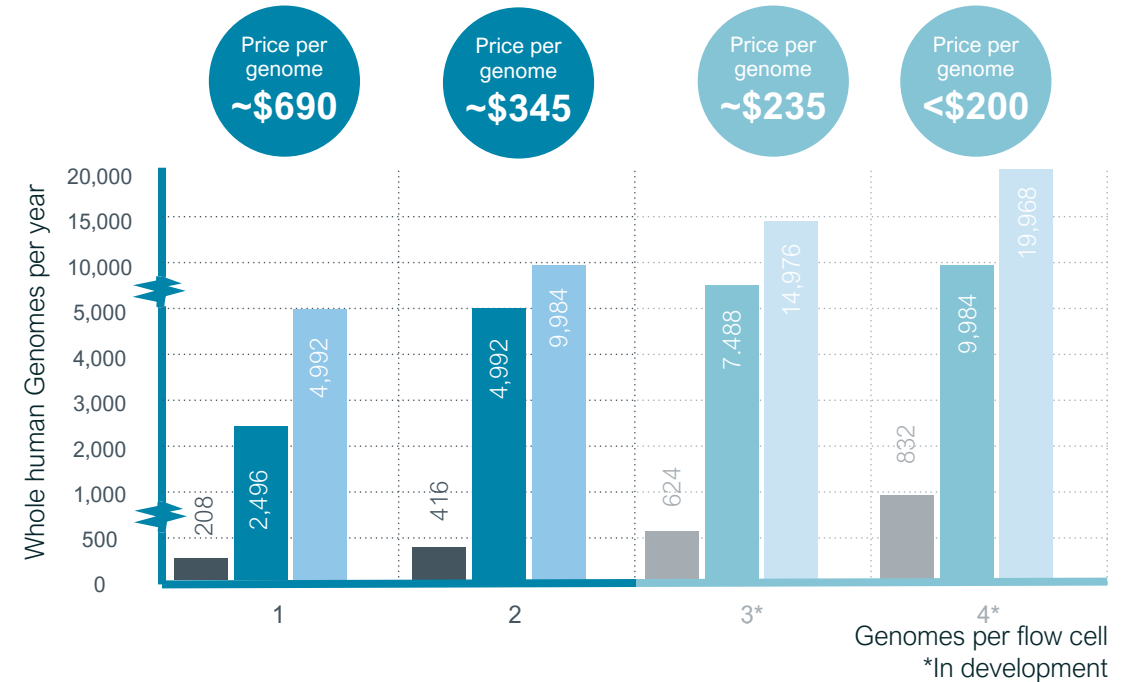
Alexander Wittenberg @AW_NGS · Dec 24, 2022
🎁 All I want for Christmas is more @nanopore duplex. 🎁 Significant increase in %duplex reads with developer release @KeyGenInfo using latest iteration of tools on native 🎁 🎁 🎁

DZD @dayzerodx · Sep 8, 2022
We've been testing this slick little P2 Solo sequencer from #nanopore. The new PromethION flowcells with Kit 14 triples data yields of a full GridION alone! This has the potential to be a game changer for our mission to combat #antibioticresistance.

Percentage ~Q30 duplex reads using latest duplex tools version

Sample	v0.2.17	v0.2.20 1st round	v0.2.20 2nd round
Tomato	38.5	38.2	44.5
Milca	42.5	39.4	47.3

UNPARALLELED SCALABILITY WITH ROOM FOR MORE



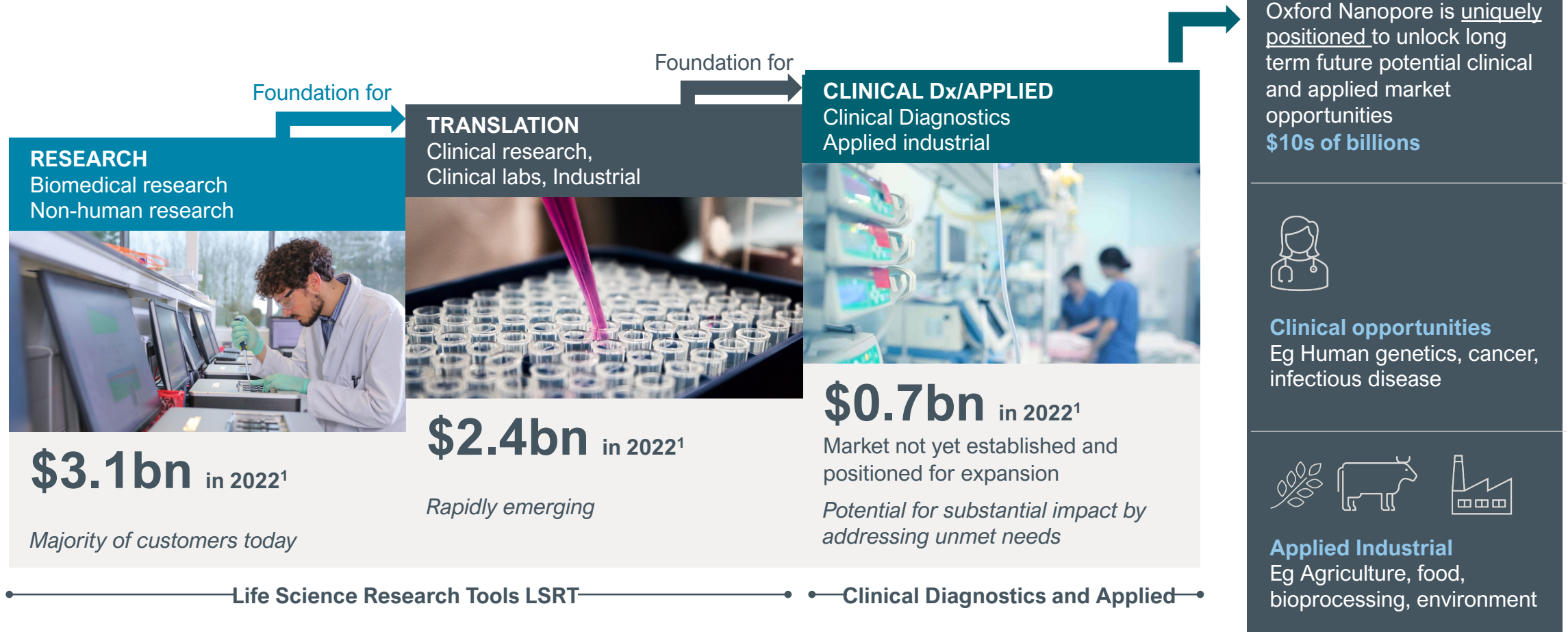
Users achieving high accuracy (99.9% single molecule Duplex), high outputs during a broad early access programme

PromethION has room for growth with internal max output >350Gb / flow cell with fast motors in development



Substantial and growing market opportunity: DNA/RNA sequencing

\$6.2 billion¹ in 2022, expected CAGR 2022-25 ~15%¹
 Substantial opportunity to penetrate, reshape and expand



FY22 Financial Review

Tim Cowper, CFO

FY22 key numbers



LSRT REVENUE

Growth driven by new customer acquisition. Reported growth up 16%

LSRT GROSS MARGIN

Driven by automation and improved manufacturing processes

TOTAL REVENUE

£51.8m non-recurring Covid testing revenue from DHSC settlement

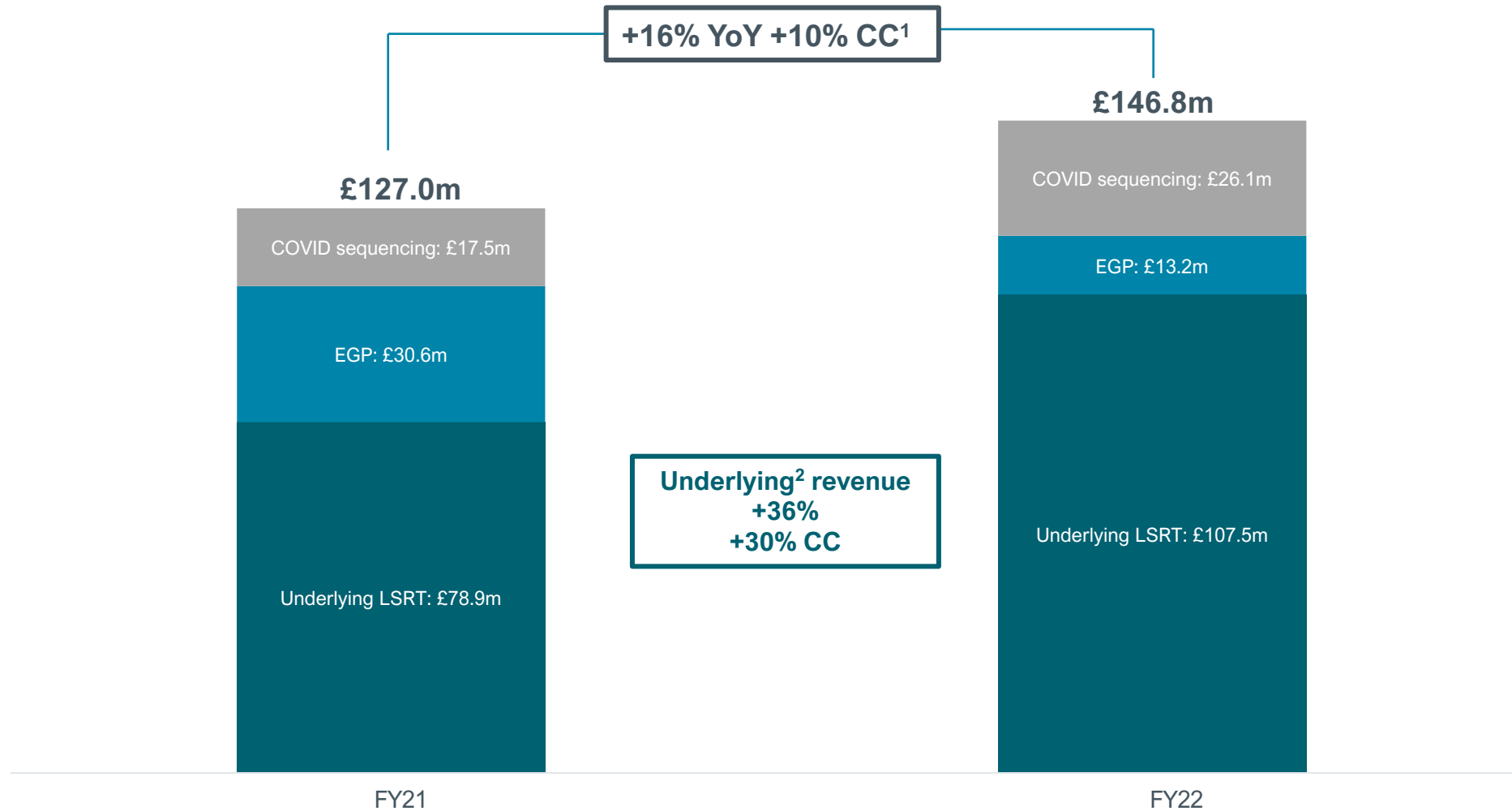
ADJUSTED EBITDA

Higher LSRT profit offset by increased investment in R&D and commercial team

STRONG BALANCE SHEET

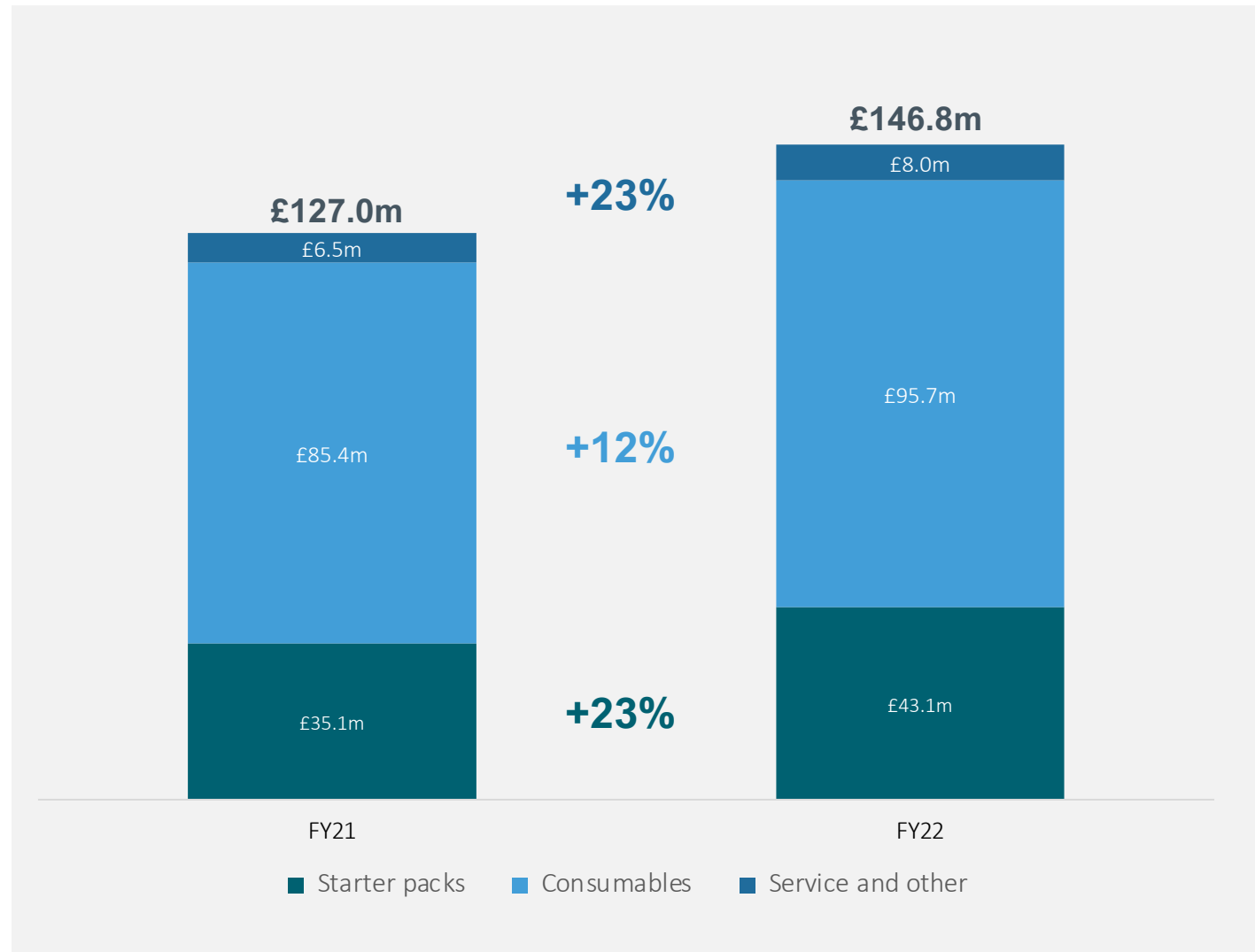
Supporting our innovation execution and commercial expansion

Continued robust underlying growth in LSRT business



¹CC= constant currency, which applies the same rate to FY22 and FY22 non-GBP results based on FY21 rates
²LSRT revenue excluding EGP and COVID sequencing revenues

FY22 LSRT revenue driven by consumables revenue

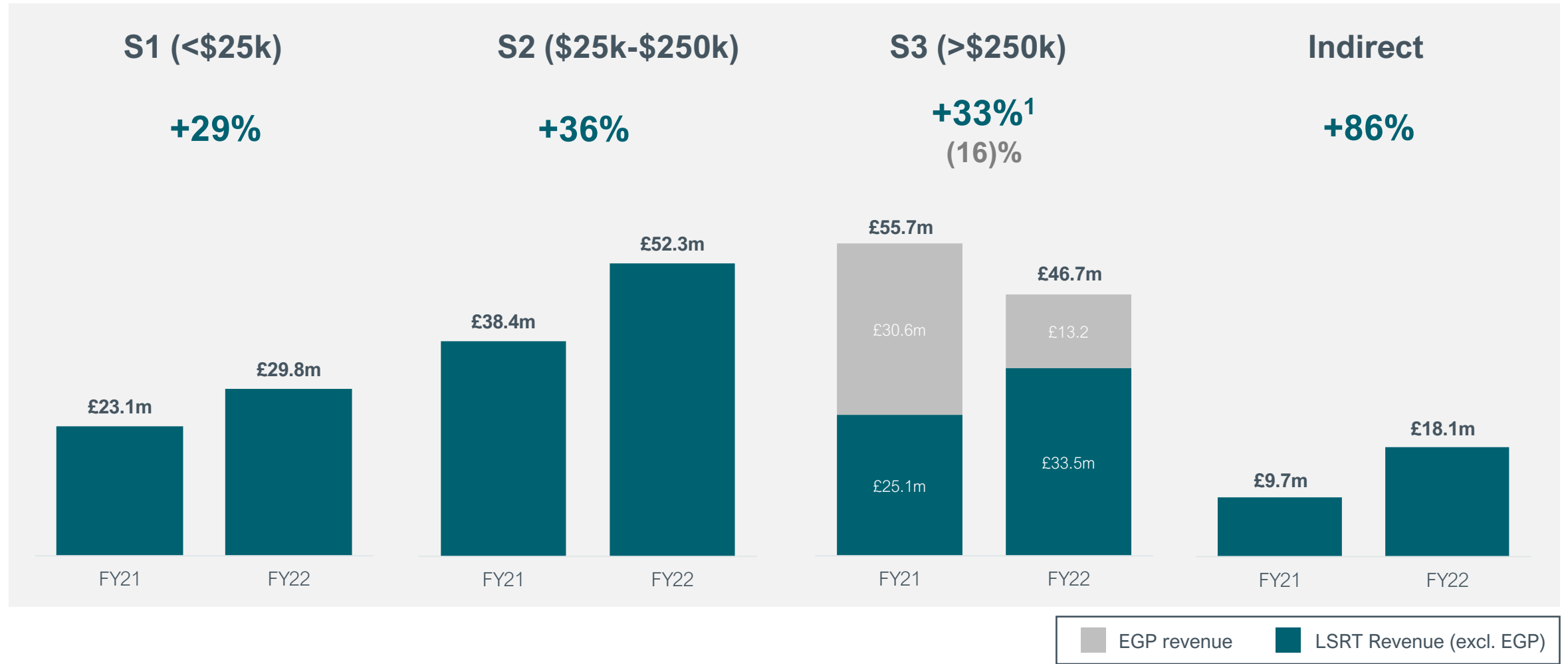


23% growth in 'service and other' revenue driven by service and license fees reflecting increased installed base

43% growth in consumables excluding decline in EGP consumables spend

Starter pack revenue growth of 23% driven by new customer acquisition

FY22 LSRT revenue driven by strong growth across all customer groups



¹Year-on-year S3 revenue growth excluding EGP; (16)% including EGP

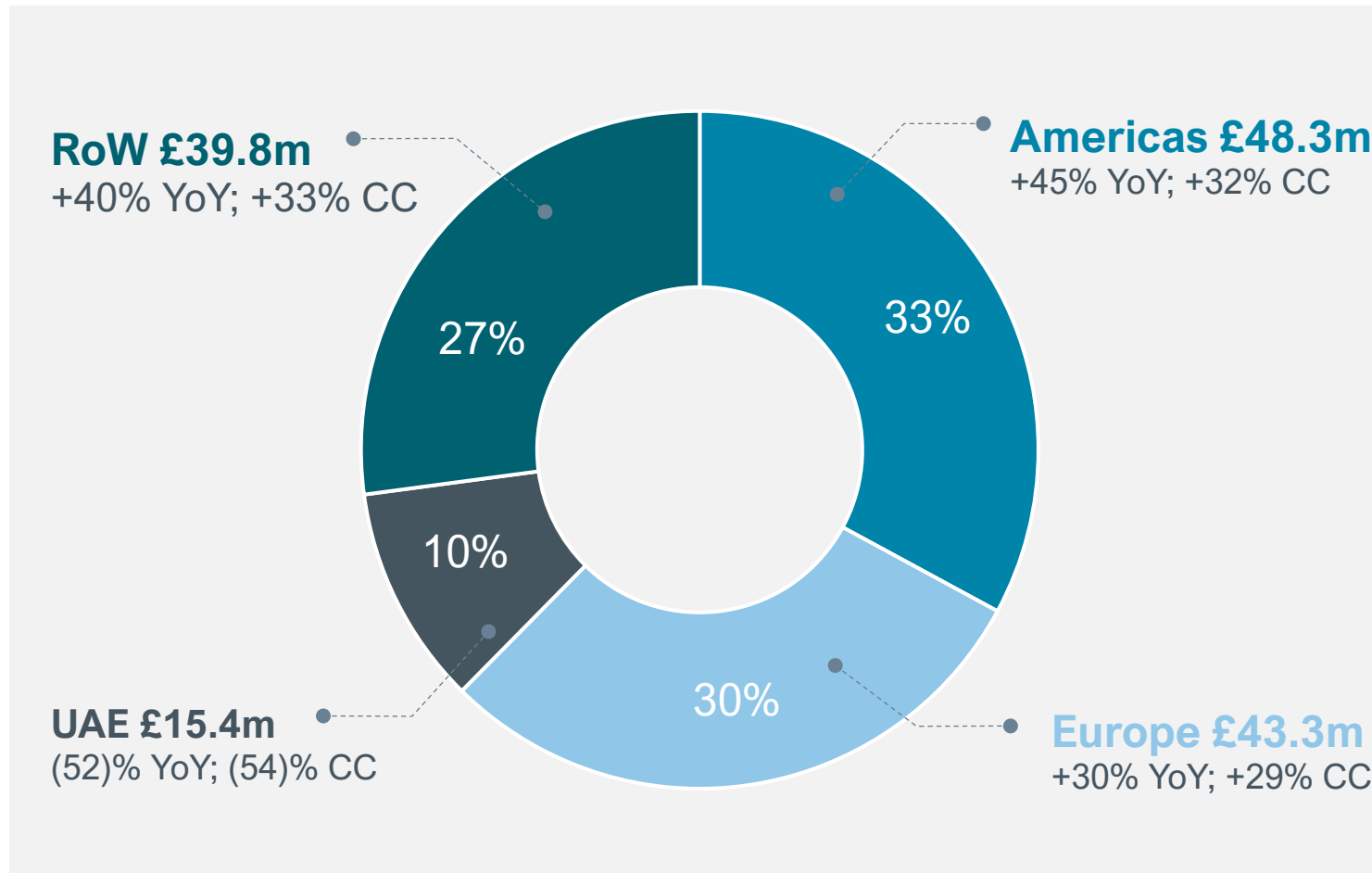
FY22 LSRT revenue driven by customer acquisition

	FY22	FY21	Change
S1 (<\$25k)			
Number of active customer accounts	7,210	5,501	+31%
Avg. revenue per customer account (\$000s)	5.2	5.8	(10)%
S2 (\$25k-\$250k)			
Number of customer accounts	989	782	+26%
Avg. revenue per customer account (\$000s)	66.0	67.7	(2)%
S3 (>\$250k)			
Number of active customer accounts	73	56	+30%
Avg. Revenue per customer account (\$000s) ¹	581.0	629.9	(8)%
Indirect			
Number of indirect accounts	11	6	+83%
Avg. revenue per indirect account (\$000s)	2,055	2,238	(8)%

>8,200
active customers²

>1,900
net increase in active
customers in FY22

Balanced and global customer base

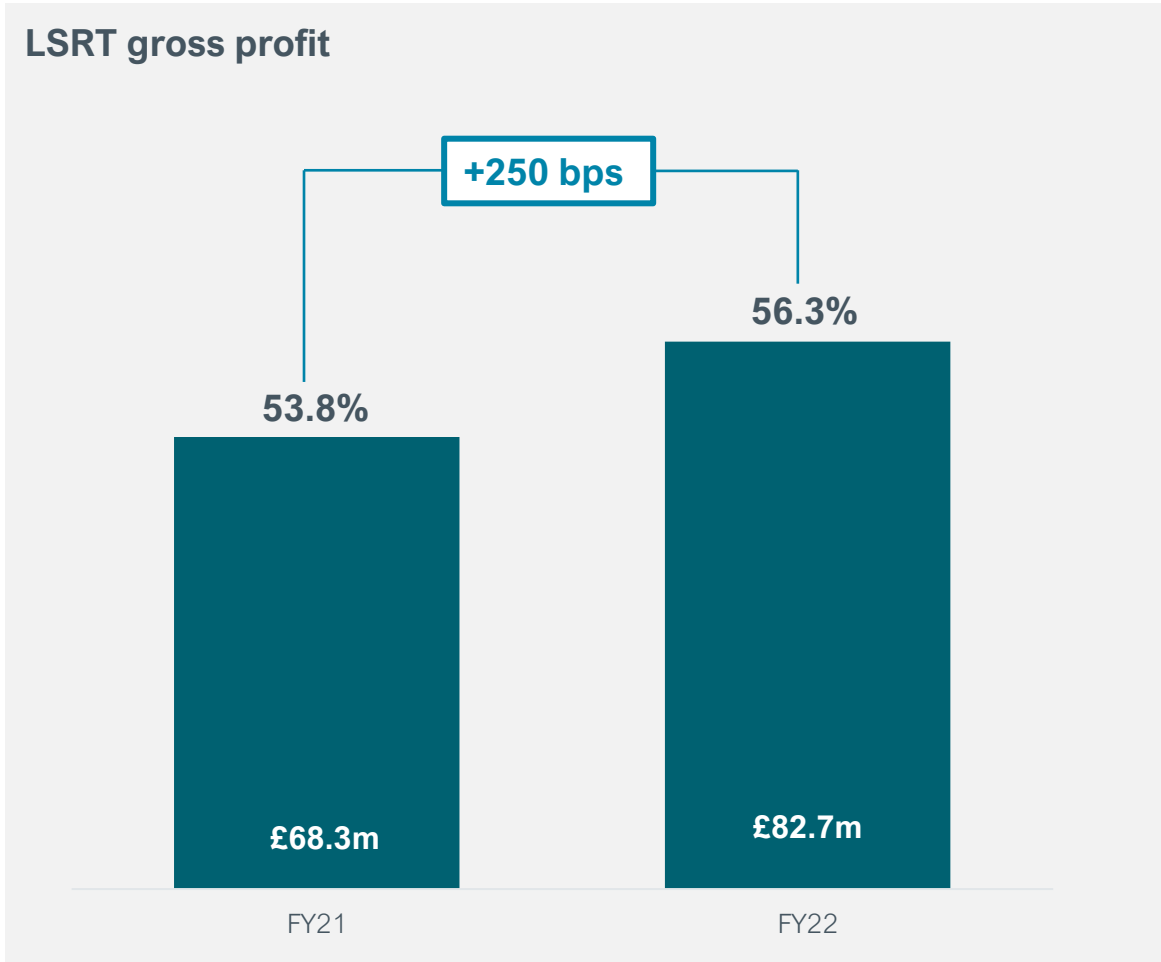


Strong growth in Americas and Europe reflects increased commercial resource

RoW growth driven by strong growth in China (+£8m or 66% CC)

UAE impacted by 57% decline in EGP revenue

Strong FY22 LSRT gross margin expansion despite supply chain headwinds



- Delivered +250 bps increase despite significant global supply chain challenges
- Margin expansion predominantly driven by operational improvements, including: automation, recycling of electronic components and improvements in manufacturing techniques
- H2 margin +300 bps higher than H1
 - **H1: 54.8%**
 - **H2: 57.8%**

Continued investment in innovation and commercial infrastructure in FY22

£93.9m¹

total adjusted R&D expenses

+39%

Principally due to a 31% increase in R&D headcount and an increase in capitalised development costs

£116.0m¹

Adjusted S,G&A expenses

+18%

Principally due to a 48% increase in the commercial team and a 30% increase in corporate team

Adjusted EBITDA

	FY22 £m	FY21 £m
Loss before tax	(83.4)	(166.0)
Depreciation & Amortisation	31.9	24.7
Other	(4.3)	0.7
EBITDA	(55.9)	(140.6)
Founder LTIP	53.2	37.6
Employers Social Security on pre-IPO Share Awards	(21.6)	39.3
Gain on sale of property	(18.6)	-
Settlement of DHSC Covid Testing contract	(37.9)	-
IPO costs	-	4.8
Other	2.2	1.2
Adjusted EBITDA	(78.6)	(57.7)

FY23 and medium-term financial guidance

	FY23 targets	Medium-term targets
LSRT revenue	>30% underlying revenue growth 16-30% constant currency	>30% underlying revenue growth
LSRT gross margin	>60%	>65%
Adjusted EBITDA		Targeting breakeven by FY26¹

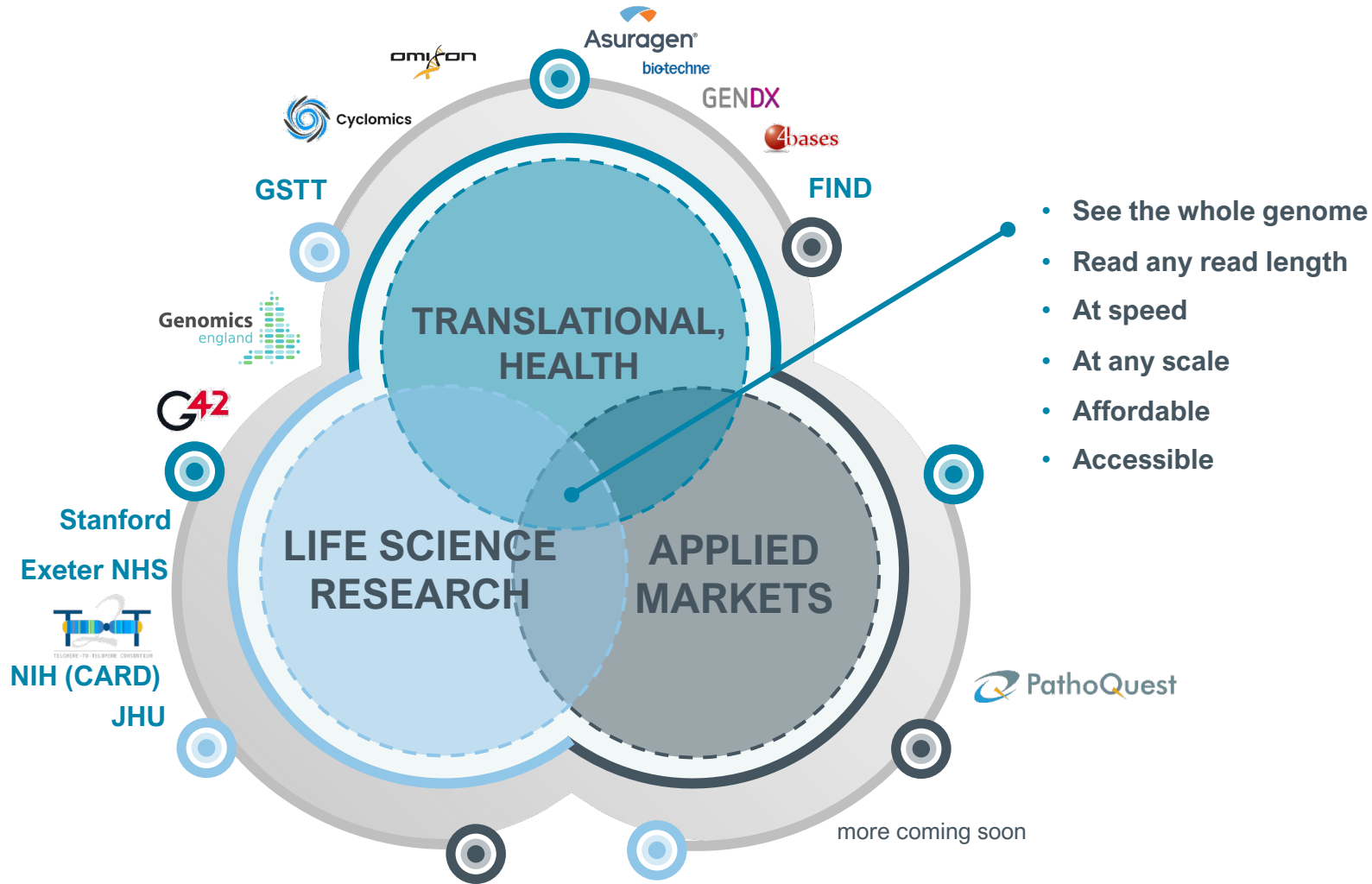
Summary

- 1** Core business is doing well. 2022 was a year of **customer acquisition** which will drive consumables growth in 2023.
- 2** Delivered **strong gross margin progress** in 2022 despite significant global supply chain challenges. Operational improvements made in 2022 will drive margin expansion in 2023 and beyond.
- 3** **Strong balance sheet of £558.0m** in cash, cash equivalents and liquid investments.
- 4** Progress made in **new market applications will be a key driver of long-term growth.**

Emerging uses of Oxford Nanopore sequencing

Gordon Sanghera, CEO

Executing on DNA/RNA sequencing collaborations



With strong future innovation pipeline

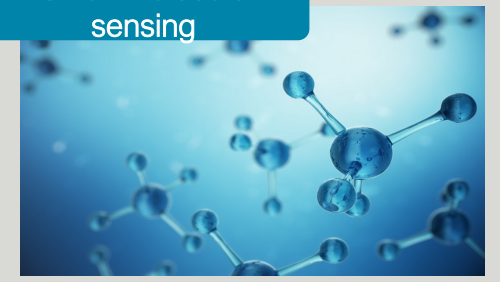
Protein sequencing



SmidgION



Small molecule sensing



Scientific discoveries are the foundation for real-world use

Large scale research in neurodegenerative conditions



NIH Centre for Alzheimer's and Related Dementias (CARD)

Thousands of brain samples being sequenced to understand Alzheimer's and related conditions



Cancer 2.0 data-rich cancer genomes, at speed



Genomics England

Transitioning to pilot programme deploying PromethION into NHS environment for near patient cancer sequencing



Resolving hard-to-diagnose disease, faster than ever before



Stanford University School of Medicine

DNA to 60x genome in <2.5 hrs
Higher diagnostic yield than traditional short read sequencing



Rapid Whole Genome Sequencing (WGS) in translational setting



Exeter, UK
Royal Devon NHS

Evaluating benefits of rapid, complete human genomes in NHS settings, in patient care pathways



Developing a unified approach to infectious disease and public health

Routine, rapid, global genomic surveillance: from COVID, Avian flu to Mpx



Global networks now in place

Distributed networks monitor the front-line of emerging infectious disease. Avian flu in SE Asia, notably Cambodia. Mpx and many others.



Rapid response to public health alert: StrepA



Guys and St Thomas' Hospital

StrepA isolates sequenced in hospital at the start & during outbreak

Gained novel insights into invasive cases and paediatric deaths



Pneumonia: rapid analysis in ICU, ID antibiotic resistance and virulent clones



Guys and St Thomas' Hospital

Daily respiratory metagenomic service rapidly characterises pneumonia/ respiratory infection in ICU

~half of patients improved management



Pathogen sequencing centre of excellence

Tuberculosis: rapid identification and antibiotic resistance profiling



Global evaluation sites

Successful completion of phase 1 drug-resistant tuberculosis research study (Unitaid, FIND) showcasing rapid, high performance TB analysis

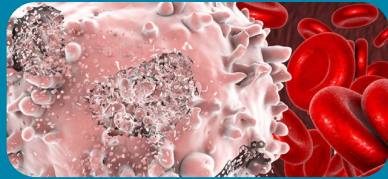


Liquid biopsy: cancer recurrence monitoring

Translating research discoveries to real world benefits

The challenge:

Recurrent disease after initial remission is a leading cause of cancer death



Today, there are limitations associated with existing (imaging-based) methods

Monitoring Residual Disease requires exceptional specificity and sensitivity



The vision:

Non-invasive, highly accurate method of detecting molecules associated with cancer, with potential to reduce delays, optimise treatment decisions



Sample



Prep



Sequence



Analyse



Our unique advantage:

CyclomicsSeq is minimally-invasive, highly sensitive, fast, affordable and deployable

- MinION based assay in developer testing
- Research shows near 100% accurate sequencing of TP53 gene, able to facilitate detection of mutations at frequencies down to **0.02%**
- Faster turnaround than short-read methods
- Decentralised model for deployment in centres of excellence



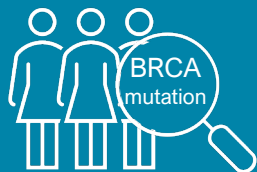
Cyclomics

Human genetics; breast/ovarian cancer

Translating research discoveries to real world benefits

The challenge:

Tests for BRCA1 & BRCA2¹ are well defined but slow



Routine screening tests work well on current platforms but:

- can take weeks to return a result
- Set up labs costs can be prohibitive resulting in lack of equity in access



The vision:

Reducing delay and improving accuracy in human genetics and cancer analyses, in future diagnostics, to inform treatment pathways and improve outcomes



Routine,
central
screening

Local centre

Same day
distributed



Our unique advantage:

Our collaborator has developed rapid, cost effective, sample to answer assays



Human genetics kits, first target BRCA targeted panel

- MinION based assay
- Sample to answer in a day
- Decentralised model for deployment in centres of excellence: near sample
- Distribution agreement for Italy and Switzerland

Carrier screening; uncovering the dark genome

Translating research discoveries to real world benefits

Challenge:

Today's carrier screening methods cannot see all potential risks



6/10 genes with most common pathogenic variants in carriers are hard to sequence with short reads



The vision:

More confident carrier screening, driven by comprehensive insights using nanopore native long reads



Population scale screening

Near patient



Our unique advantage:

Our collaborator has developed rapid, cost effective, sample to answer assays

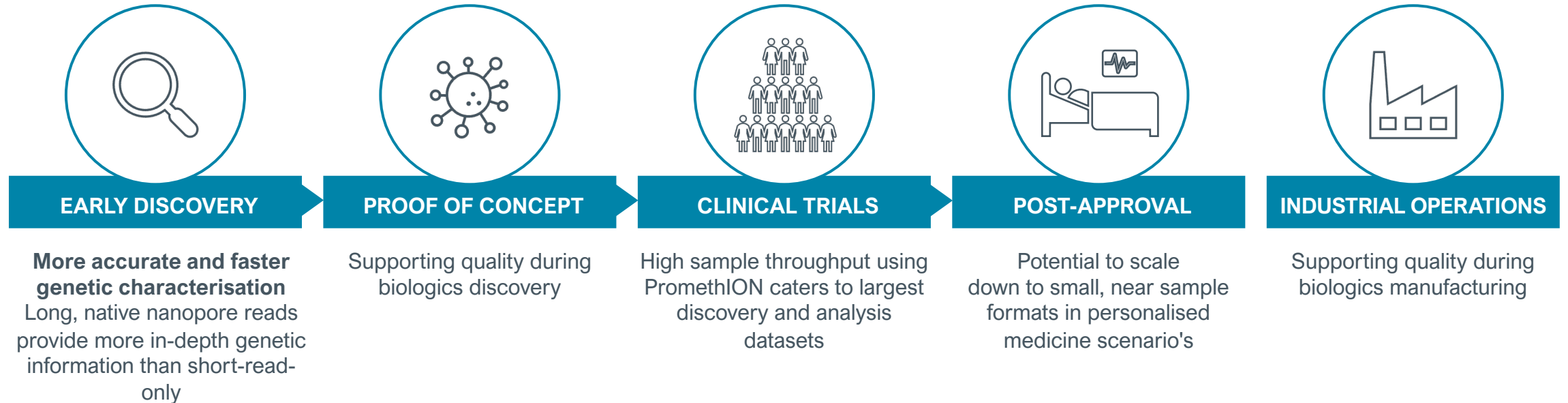


Asuragen® **biotechne**®

- GridION based assay
- Developing kit for genotyping 11 genes that cover ~70% of pathogenic variants associated with severe genetic disorder
- Including eight notoriously hard-to-analyse genes (e.g. fragileX)

Pharma/biotech: an emerging customer segment

Meeting unmet needs across the value chain



- ✓ Information rich data
- ✓ Run at any scale
- ✓ Rapid time to results
- ✓ Giving full insights

Improving biotherapeutic discovery and manufacturing

Moving into the applied markets

The challenge:

Biotherapeutic discovery and manufacturing needs better, faster tools

Discovering new biotherapeutics (e.g. antibodies) is a long and complex process involving screening of many potential candidates using sub-optimal methods.

Manufacturing: Once discovered, regulatory testing to allow the drug product to be released to the market is equally time consuming and complex as it relies on the use of the same testing methodology.



The vision:

Rapid screening for discovery and GMP-grade testing for manufacturing quality control

To bring to the market the first rapid, accurate, regulatory approved quality control test for genetic characterisation of biotherapeutics at all stages in the drug development pipeline



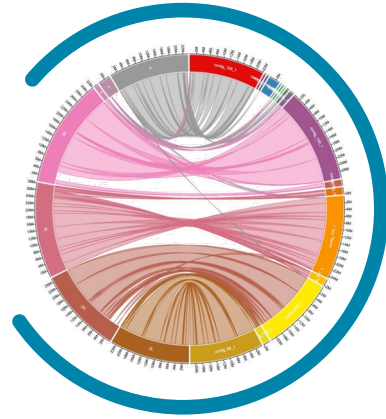
Our unique advantage:

Rapid, comprehensive assays for discovery and GMP manufacturing needs



- PathoQuest, is a leader in QC testing of biologicals (e.g., ATMP, vaccines, antibodies), enabling rapid and robust analysis at a GMP level.
- Collaboration to optimise and commercialise a testing service for non-GMP and GMP validated Integration Site Analysis (ISA) tests for biomanufacturing quality control

2023 outlook



CONTINUOUS INNOVATION

Execute on our new product introductions as they continue to drive platform adoption

PLATFORM PERFORMANCE

Drive exceptional accuracy, output and reliability with Q20+ full roll out

CUSTOMER FOCUS

Continue to make products our customers love and expand sales and support teams to ensure their success

OPERATIONAL EXCELLENCE

Drive high performance into our customer experience through key partnerships and digital excellence

COMMERCIAL EXECUTION

Deliver on our commitments from LSRT to the applied markets as we build a true technology company

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Strong balance sheet

	FY22 £m	FY21 £m
Non-current assets	185.9	91.3
Current assets		
Inventory	87.7	63.1
Trade and other receivables	62.9	54.8
R&D tax credit recoverable	9.1	14.3
Cash and cash equivalents	356.8	487.8
Derivative financial assets	2.1	0.0
Other financial assets	119.4	130.6
Total assets	823.9	841.9
Non-current liabilities	(27.8)	(32.8)
Current liabilities	(102.5)	(105.0)
Net assets	693.6	704.0
Total Equity	693.6	704.0

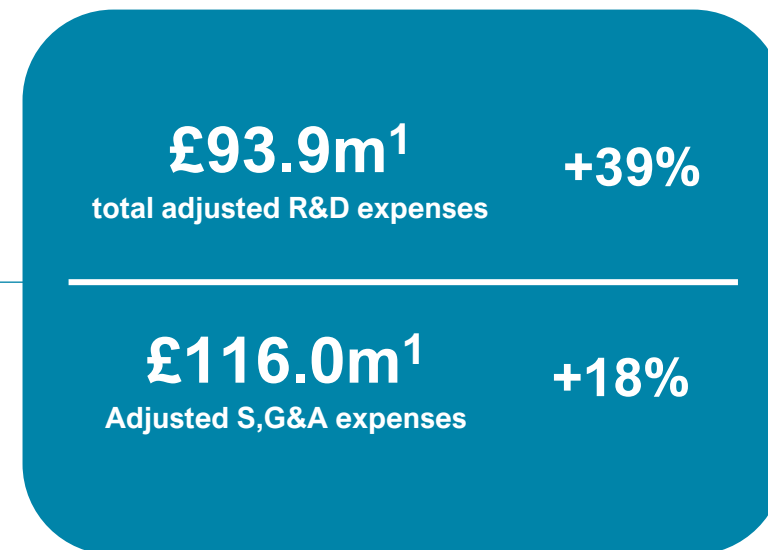
Increase in inventory reflects higher stock levels of core components to manage global supply chain risk

£558.0m

cash, cash equivalents and liquid investments¹

Summary income statement

	FY22 £m	FY21 £m
Revenue	198.6	133.7
Cost of Sales	(74.8)	(60.5)
Gross Profit	123.8	73.2
<i>Gross margin %</i>	62.3%	54.8%
Operating expenses		
Research and development expenses	(64.8)	(76.0)
Selling, general & administrative expenses	(157.4)	(161.8)
Loss from operations	(98.5)	(164.5)
Other	15.1	(1.5)
Loss before tax	(83.4)	(166.0)



Continued investment in innovation and commercial infrastructure

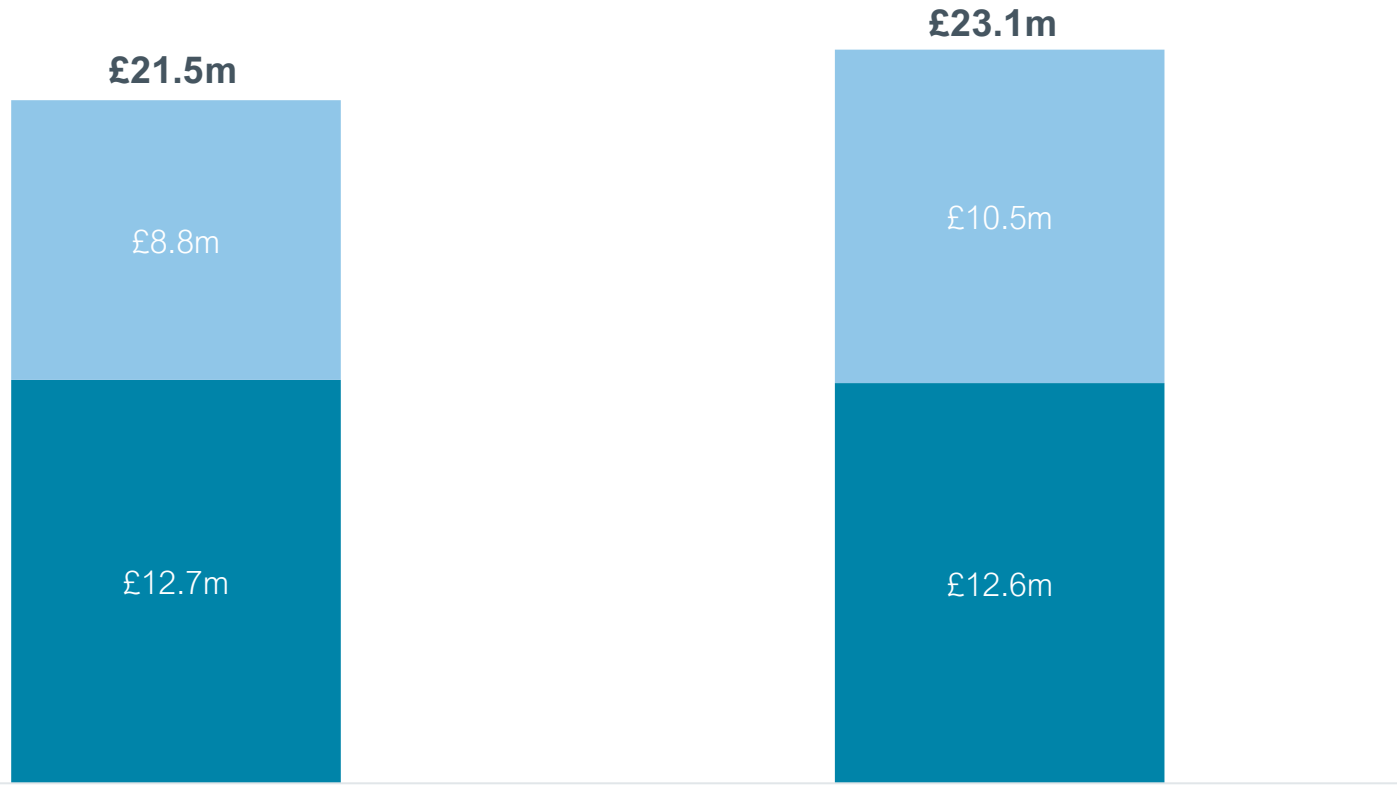
	FY22 £m	FY21 £m
Research and Development expenses	64.8	76.0
<i>Adjusting Items:</i>		
Employer's social security taxes on pre-IPO share awards	9.9	(17.7)
Adjusted Research and Development expenses	74.7	58.3
Capitalised development costs	19.2	9.3
Total R&D and capitalised development costs	93.9	67.6
Selling, general and administrative expenses	157.4	161.8
Share-based payment expense on Founder Long Term Incentive Plan (LTIP)	(53.2)	(37.6)
Employer's social security taxes on Founder LTIP and pre-IPO share awards	11.7	(21.5)
IPO costs expensed in Income Statement	0.0	(4.8)
Adjusted Selling, general and administrative expenses	116.0	97.9

Capex

% of LSRT sales

17%

16%



FY21

FY22

■ GridION and PromethION ■ Purchase of PP&E

LSRT revenue by currency

