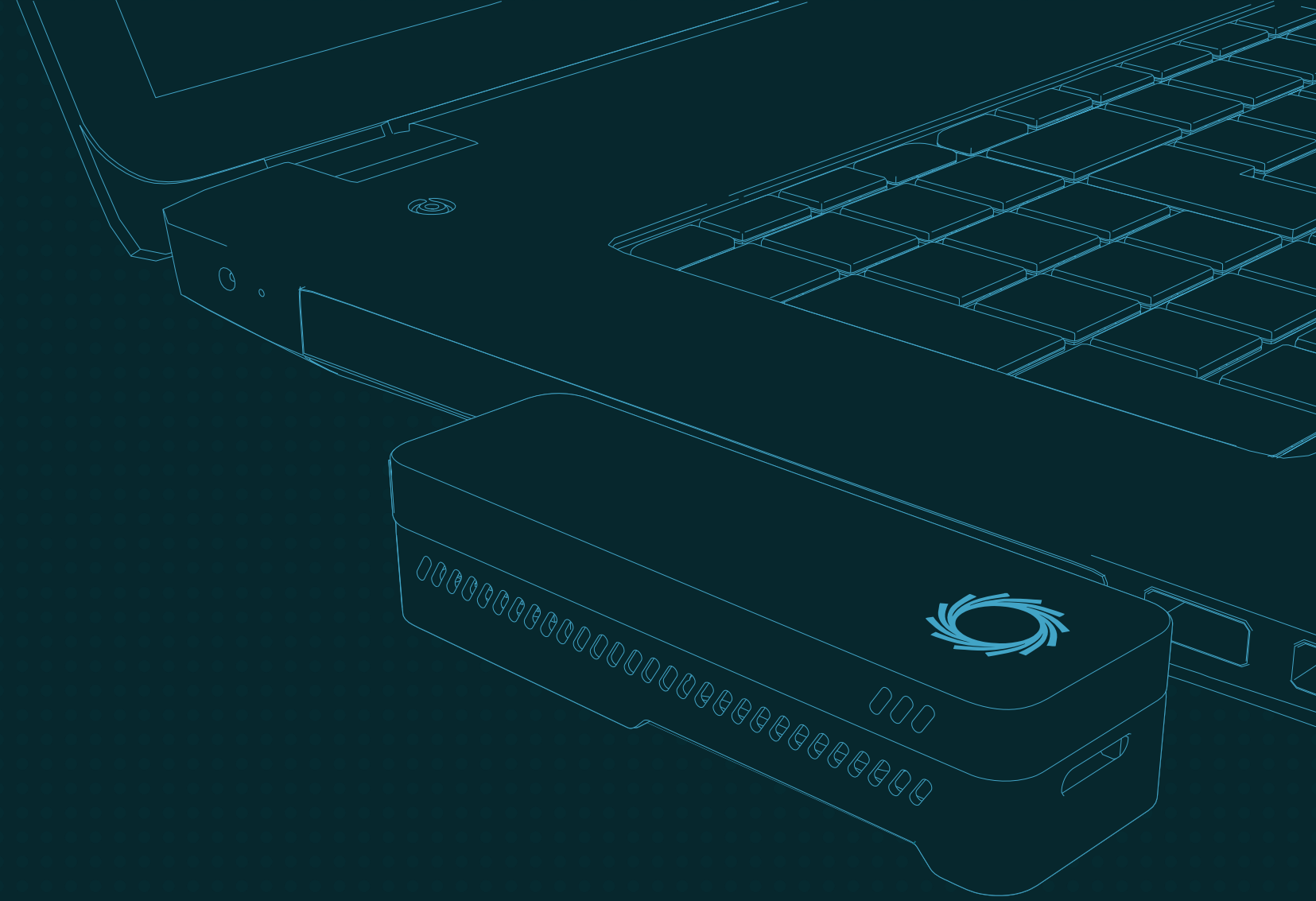




FY23 Results Presentation

6 March 2024



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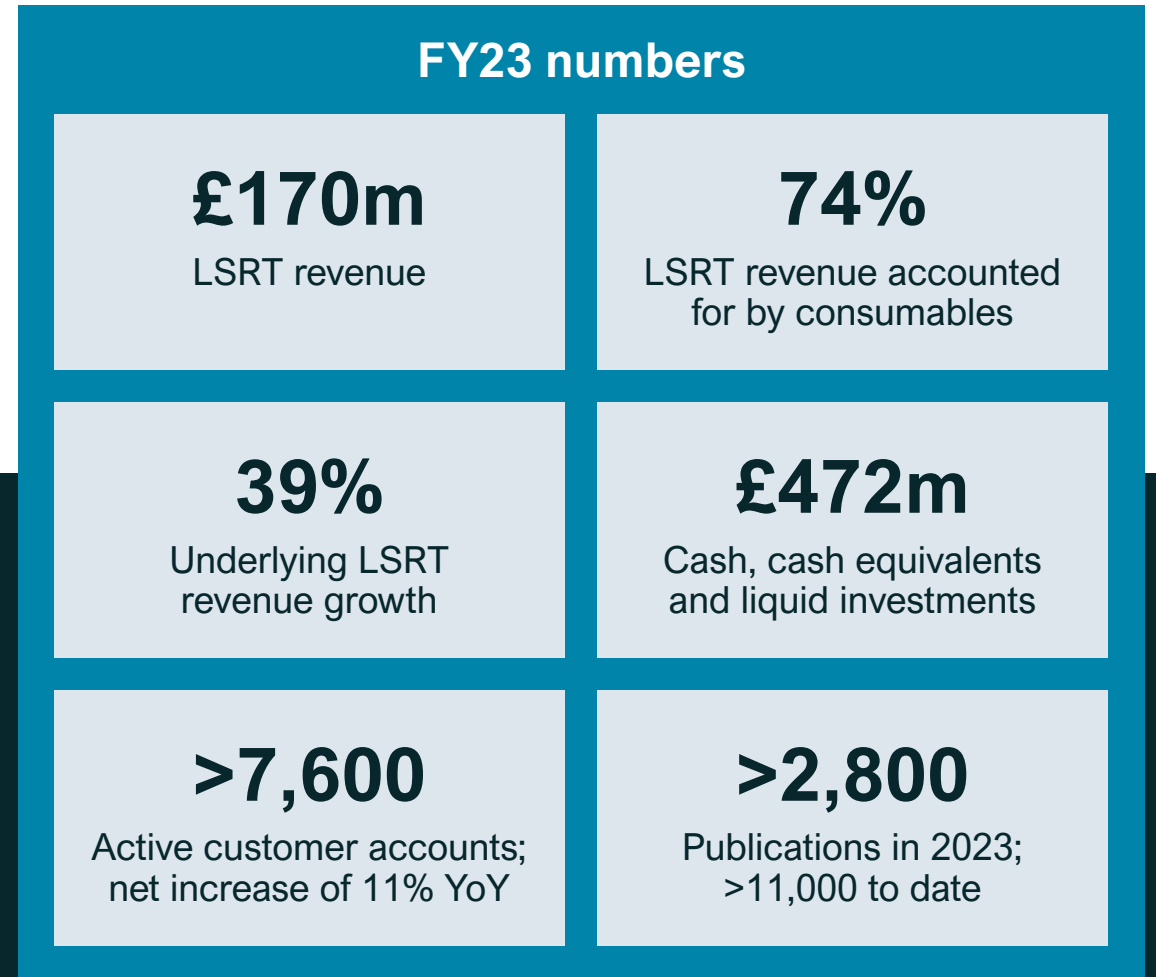
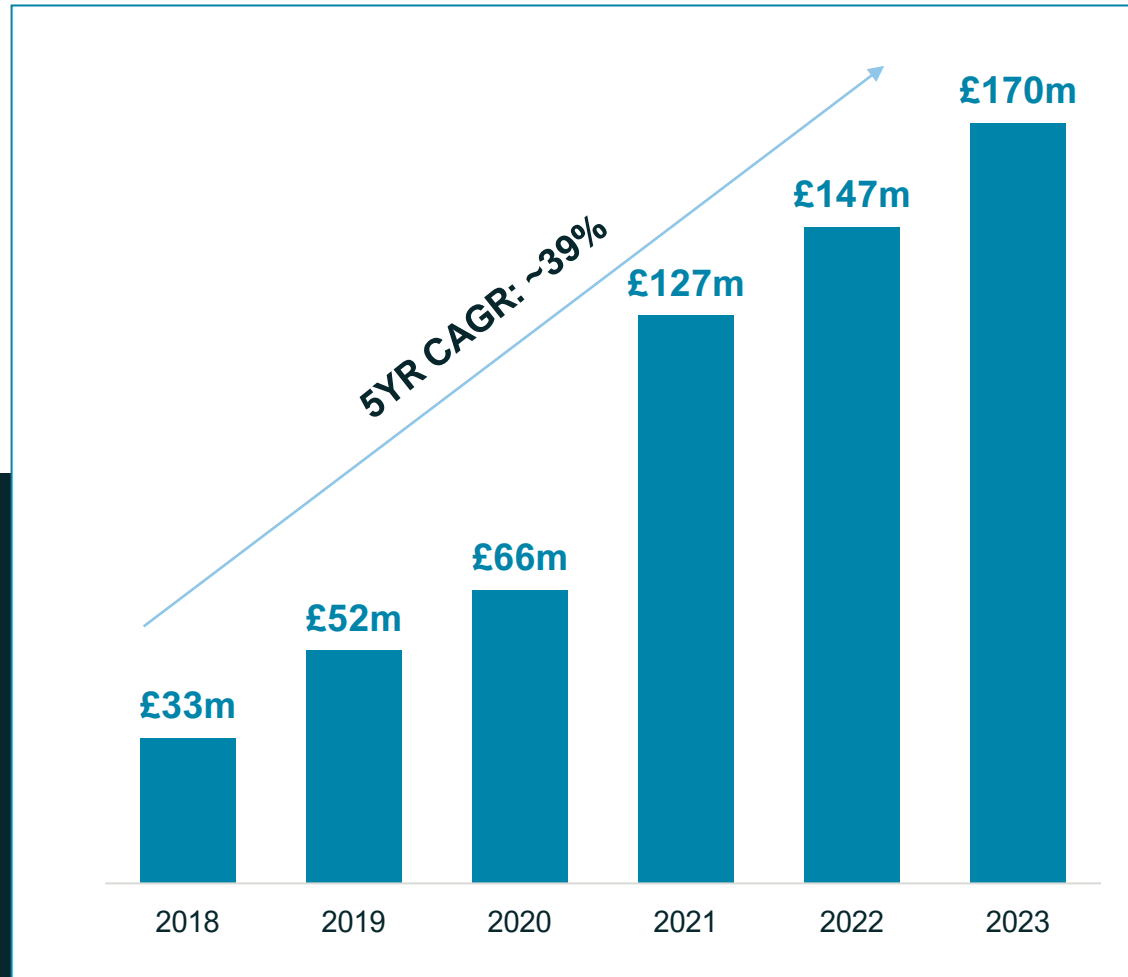
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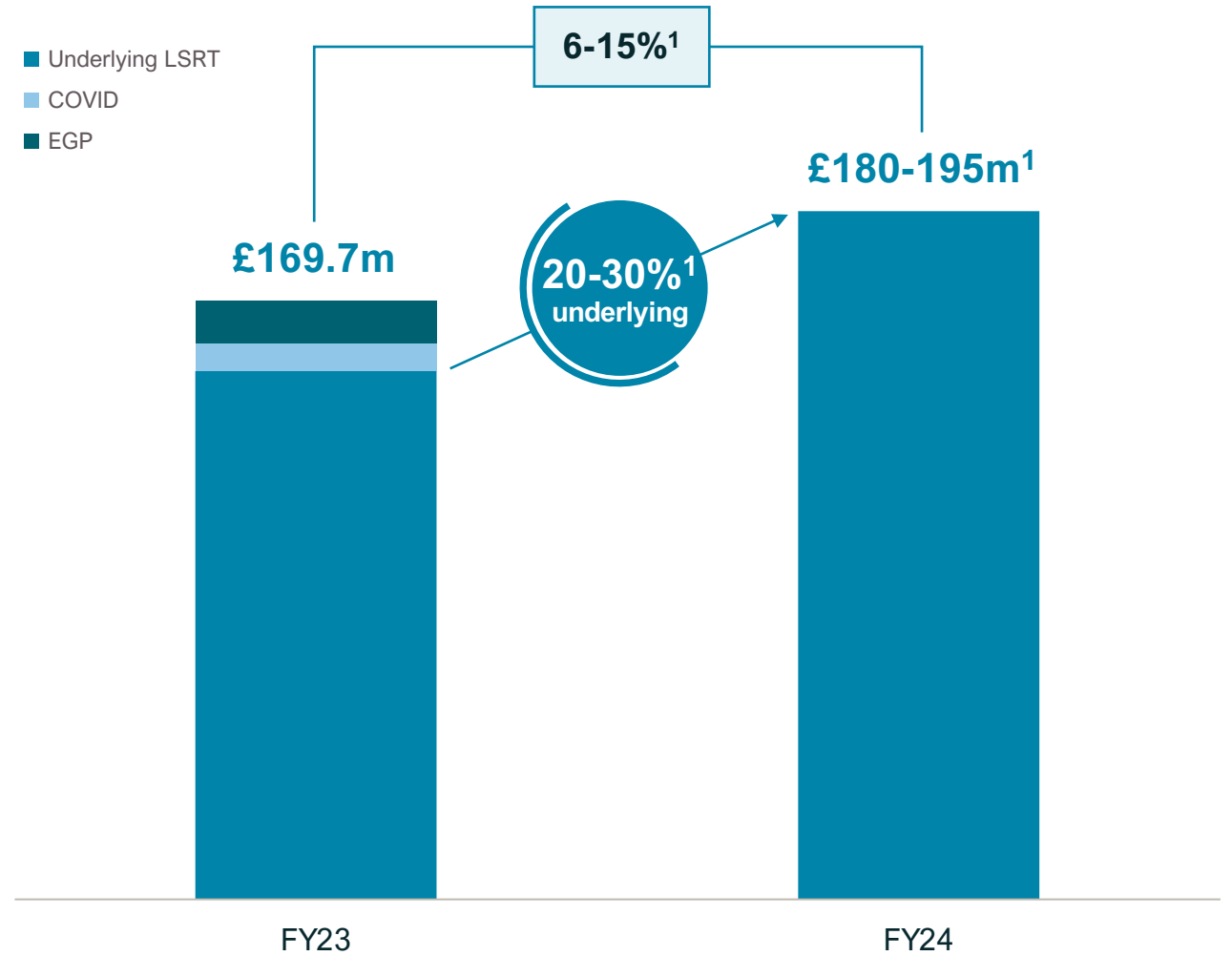
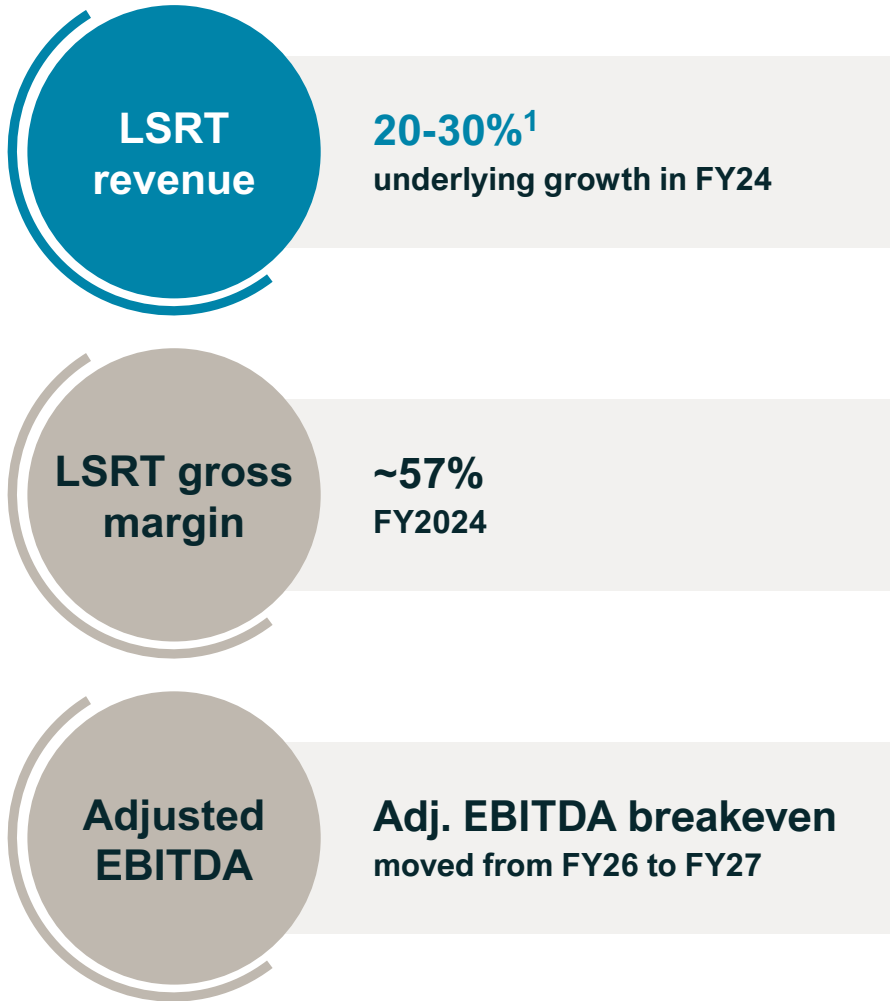
This presentation and the discussion which follows it may contain statements that are forward-looking. For example, statements regarding expected revenue growth and profit margins are forward-looking statements. Phrases such as "aim", "plan", "expect", "intend", "anticipate", "believe", "estimate", "target", and similar expressions of a future or forward-looking nature should also be considered forward-looking statements. Forward-looking statements address our expected future business and financial performance and financial condition, and by definition address matters that are, to different degrees, uncertain. Our results could be affected by macroeconomic conditions, the COVID-19 pandemic, delays in our receipt of components or our delivery of products to our customers, suspensions of large projects and/or acceleration of large products or accelerated adoption of pathogen surveillance. These or other uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

Resilient LSRT growth in FY23 driven by differentiated platform



Underlying revenue is LSRT revenue growth excluding revenue from the Emirati Genome Program and COVID sequencing

FY24 Guidance



¹At constant currency
FY24 guidance is 6-15% on a constant currency basis. Equates to £180-195m at current exchange rates

Medium to long-term targets



Medium term financial guidance

LSRT revenue

>30% CAGR¹
FY24-FY27

10-20% of LSRT revenue from clinical and applied industrial markets in 2026

LSRT gross margin

>62% by FY27

Adjusted EBITDA

breakeven by the end of 2027



Disruptive innovation

Sample to answer workflows

Q Line products designed for regulated and applied markets

Delivering the most complete T2T² genomes from a single platform



Commercial operations

Continue to expand global customer base directly or through channel partners

Leverage scaled commercial infrastructure and strategic senior hires to drive growth in key markets

Upgrade digital platforms: aim to deliver best in class service and support

¹At constant currency

²Telomere-to-Telomere

FY23 Financial performance

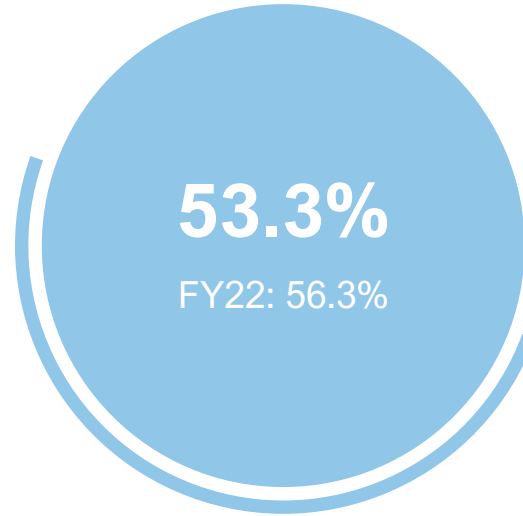
Nick Keher, CFO

FY23 key numbers



LSRT revenue

16% growth driven by strong underlying growth, +39%, partially offset by known headwinds from COVID and the EGP



LSRT gross margin

One-off headwinds offset strong underlying growth in margins driven by improvements to manufacturing processes



Adjusted EBITDA

Higher LSRT profit offset by increased investment across R&D and commercial to support long term sustainable growth

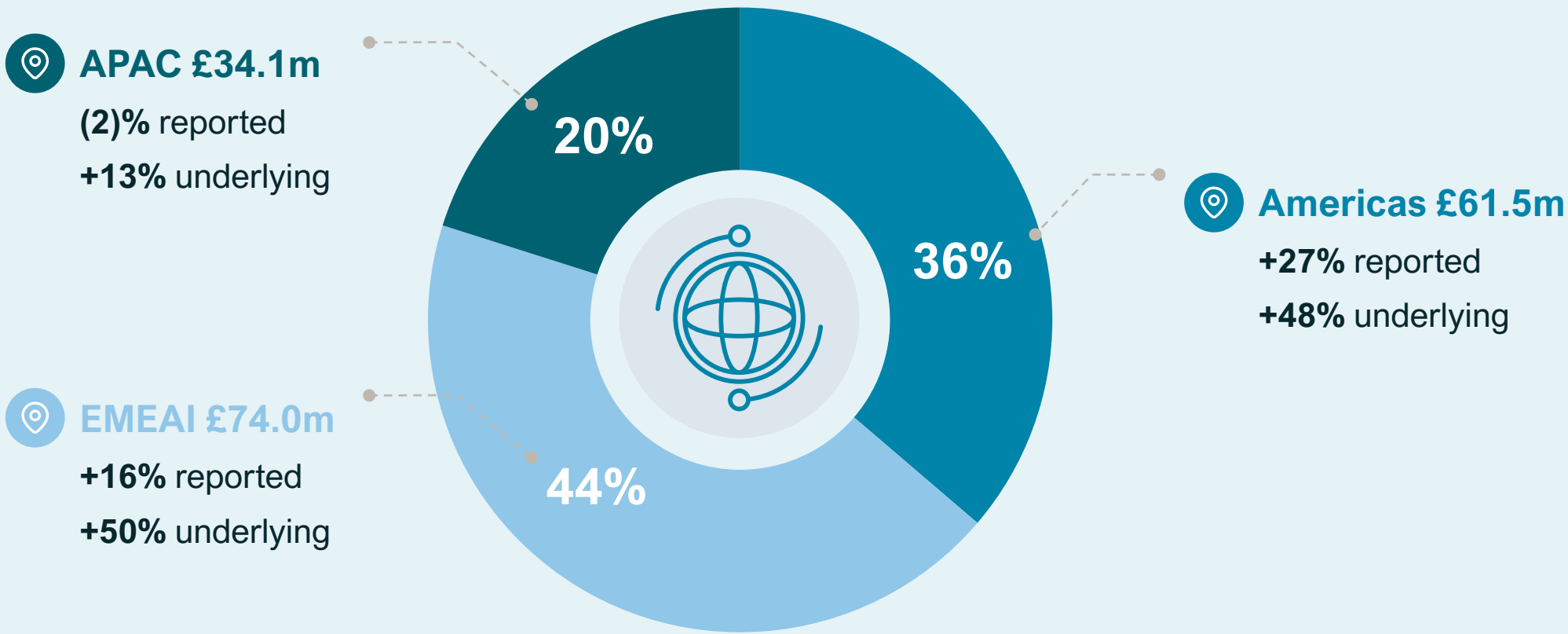


Strong Balance Sheet

Company remains strongly capitalised with adequate resources to implement our business plan to and through EBITDA breakeven in 2027

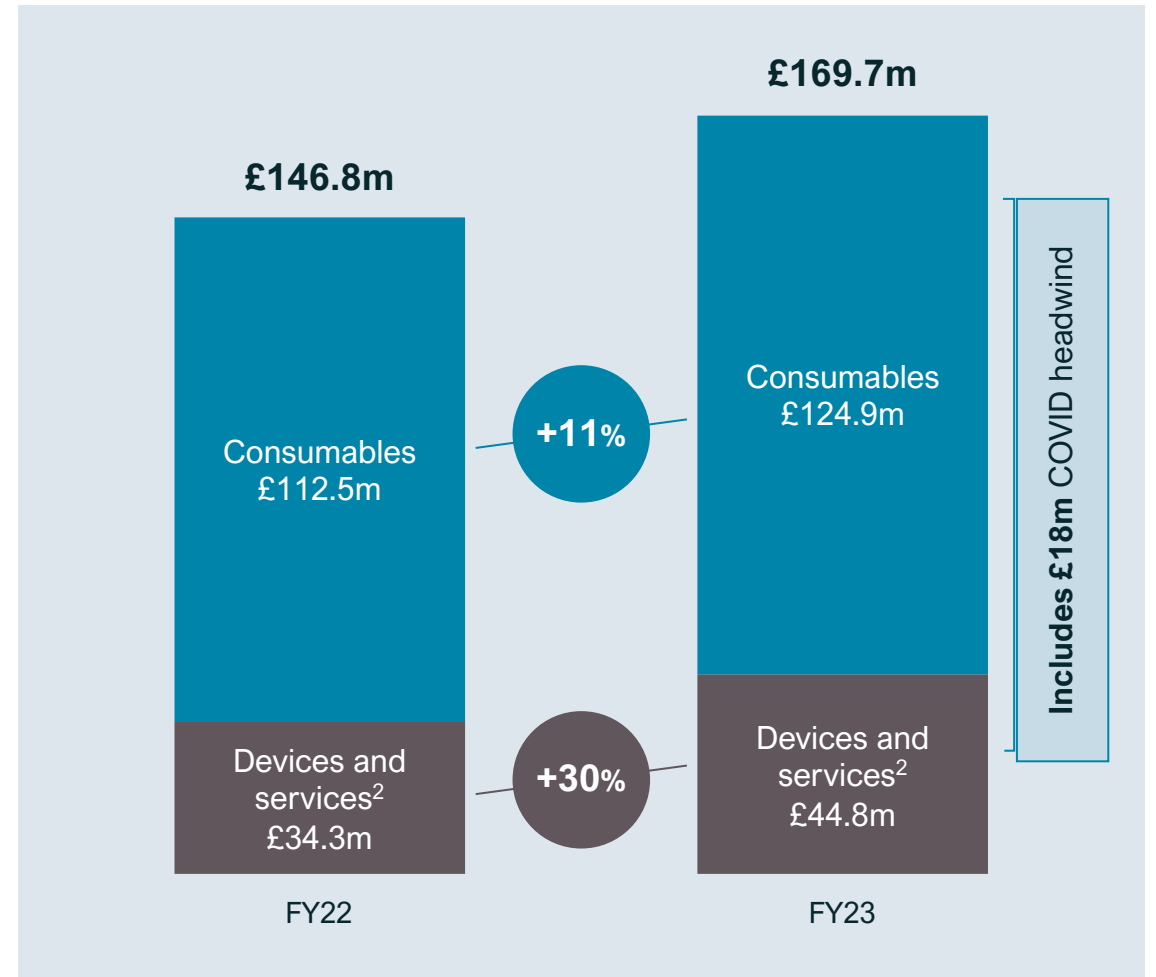
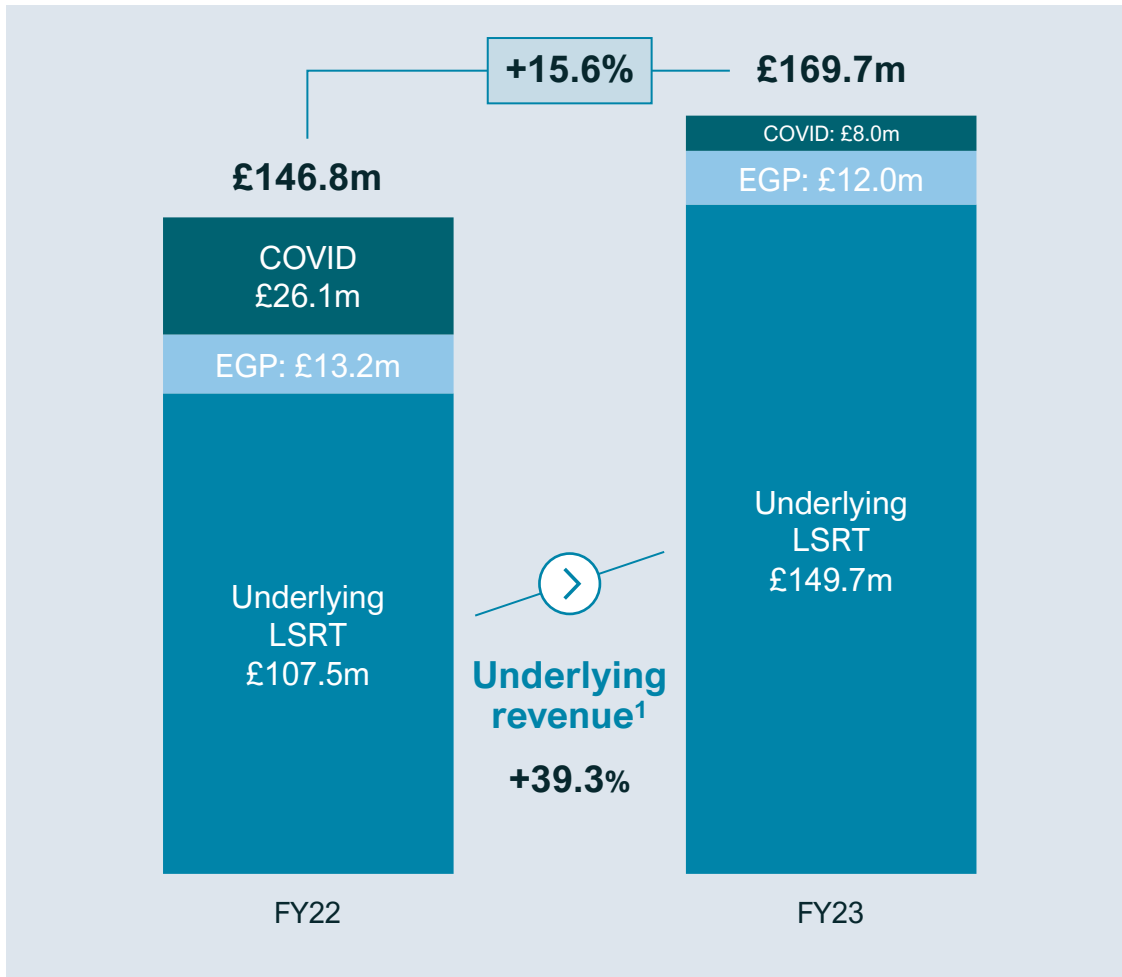
Balanced and global customer base with scope to grow further

FY23 LSRT revenue by region



Underlying LSRT revenue excludes EGP and COVID sequencing revenues. All references to underlying growth in this presentation are adjusted for EGP and COVID sequencing.

Continued robust underlying LSRT revenue growth

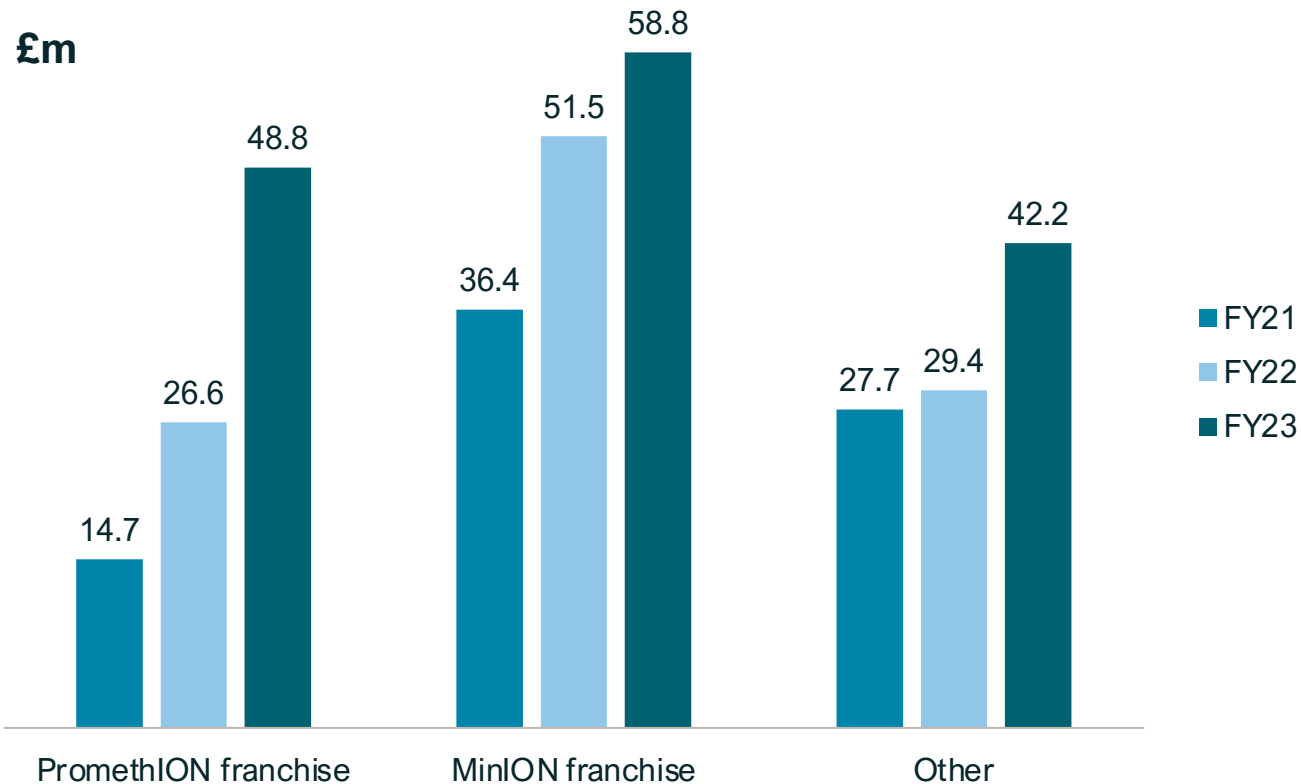


¹Underlying LSRT revenue excludes EGP and COVID sequencing revenues. All references to underlying growth in this presentation are adjusted for EGP and COVID sequencing.

²Includes Licence & Warranty and other revenue

Consumables revenue on the graph above includes the consumables included in starter pack revenue

Underlying revenue growth across all franchises



Key drivers

- PromethION franchise underlying revenue growth of 83% driven by new device placements, increased flow cell utilisation and the PromethION 2 Solo launch to commercial.
- MinION franchise saw underlying revenue growth of 14% primarily due to flow cells and MinION devices.
- Other revenues increased 44% with growth across all franchises.

Notes:

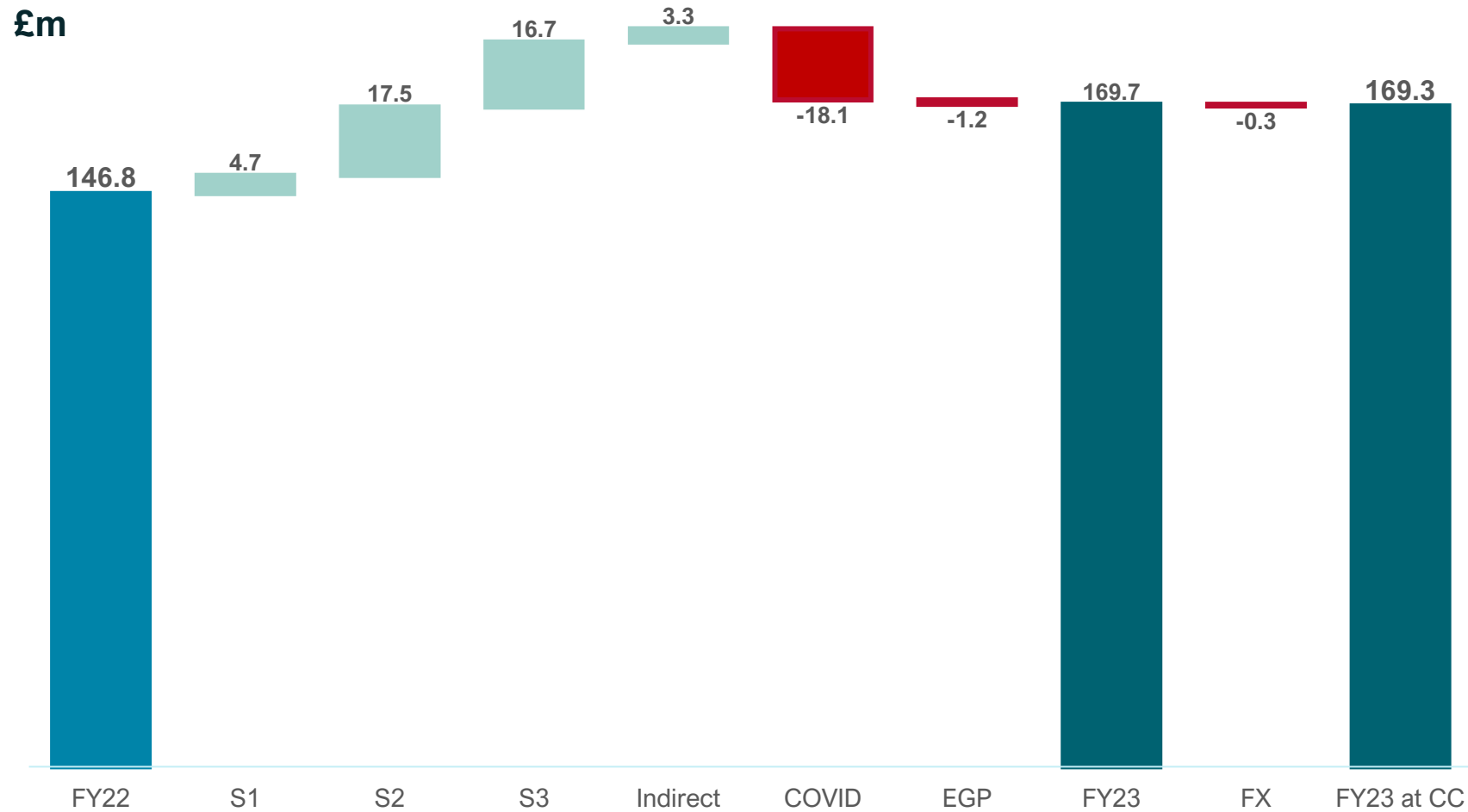
PromethION franchise includes all PromethION boxes and PromethION flow cell sales

MinION franchise includes all MinION and GridION devices, and all MinION flow cell sales

Other revenues represent Kits, Services and Other devices

Underlying revenue growth excludes EGP and COVID sequencing revenues.

Strong underlying revenue growth across all customer groups

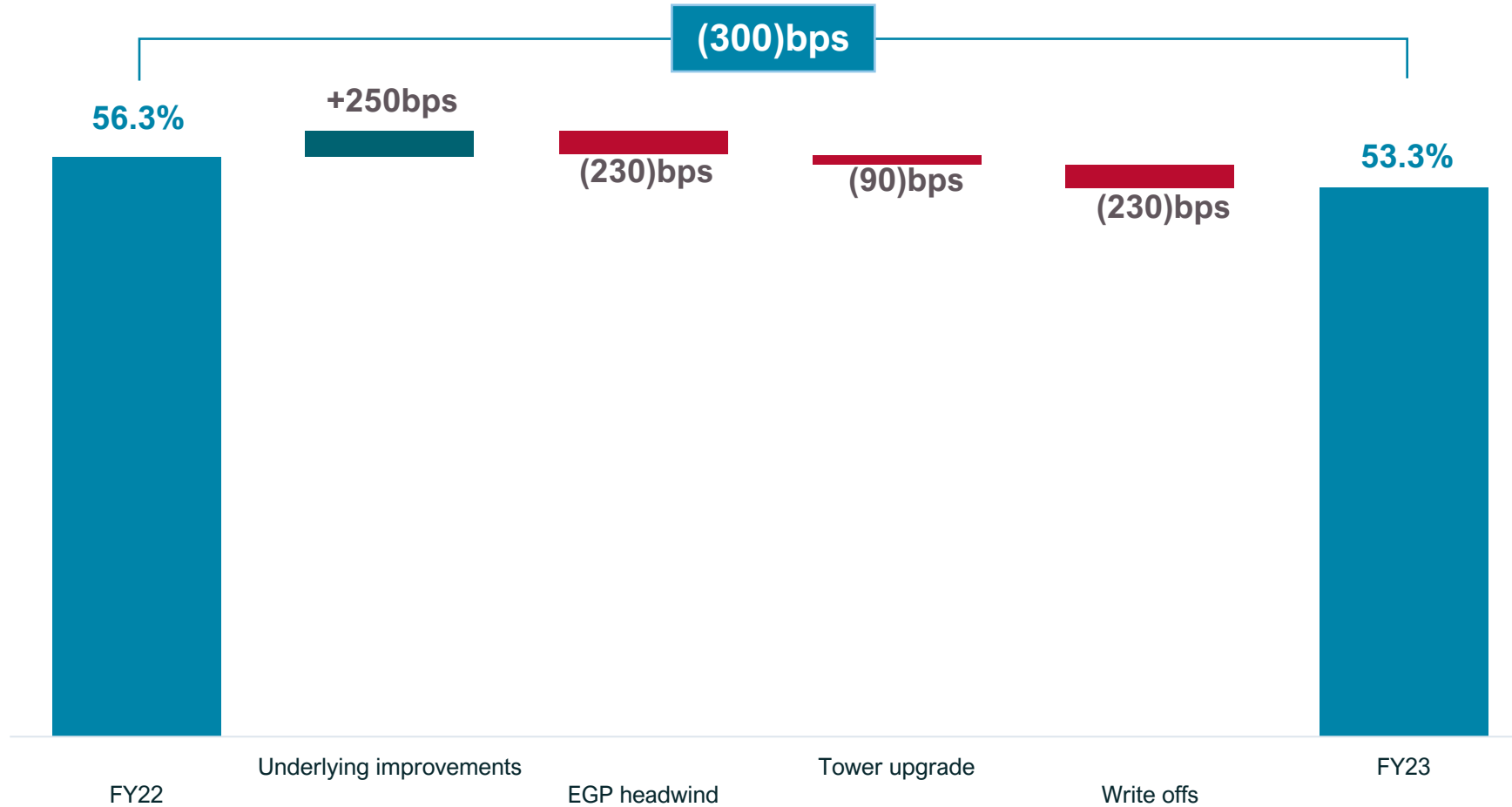


> **Strong underlying growth in all customer groups led by S3**

- S1 up 20%
- S2 up 42%
- S3 up 69%
- Indirect up 19%

Underlying LSRT revenue excludes EGP and COVID sequencing revenues. All references to underlying growth in this presentation are adjusted for EGP and COVID sequencing.

Gross margin bridge



Stable underlying gross margin of 58.8% impacted by;

- EGP contract
- Provision against legacy devices and excess inventory of COVID sequencing kits
- Impact of the compute upgrade on PromethION devices

Positive underlying movements suppressed by mix;

- Higher proportion of device revenue
- Greater proportion of PromethION Flow Cells vs MinION Flow Cells

Continued investment in innovation and commercial infrastructure in FY23

£105.5m¹



Total adjusted R&D expenses and capitalised development costs

62% of LSRT sales



+22%

Principally due to a 22% increase in R&D headcount to support growing product portfolio

£134.6m¹



Adjusted SG&A expenses

79% of LSRT sales



+21%

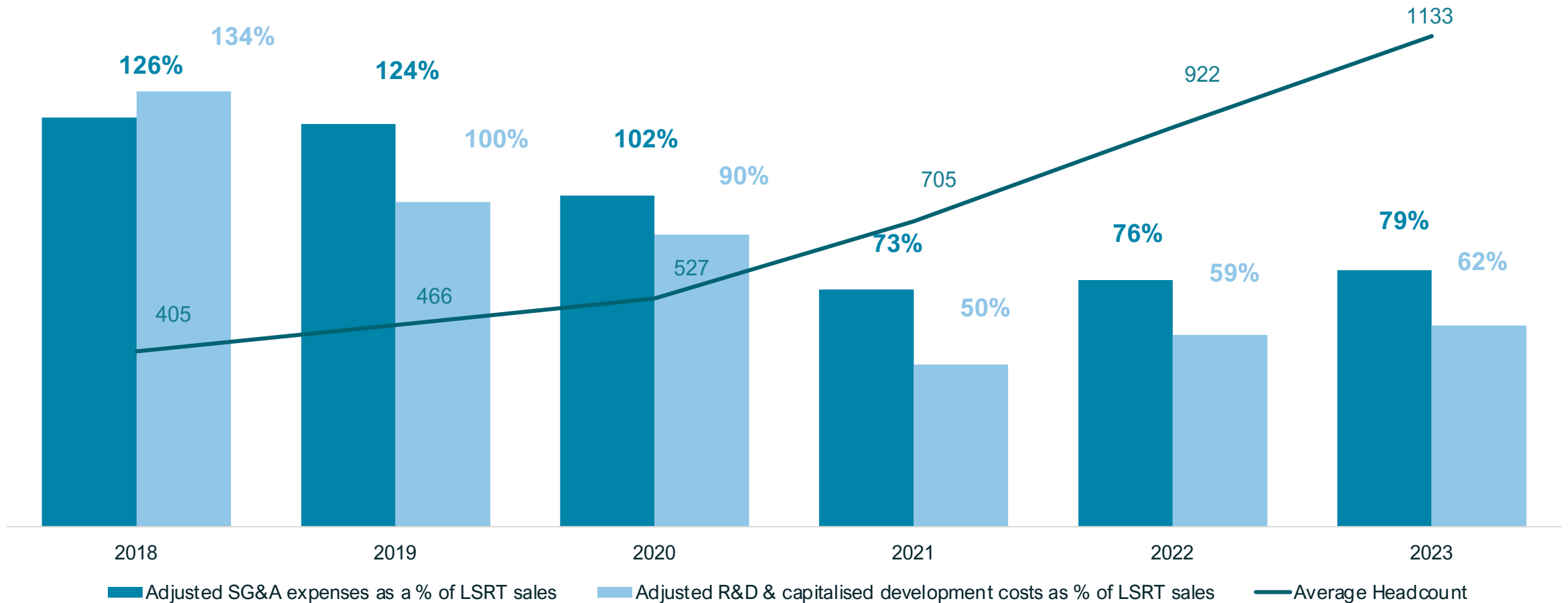
Principally due to a 49% increase in commercial headcount to strengthen customer facing team team and a 4% increase in the corporate team

1. See appendix for reconciliation

Invested in scaling the business to drive long-term, sustainable growth

Revenues have grown 422% since 2018 to £169.7m

Adjusted Operating Expenses as a % of LSRT sales will reduce from H2 2024



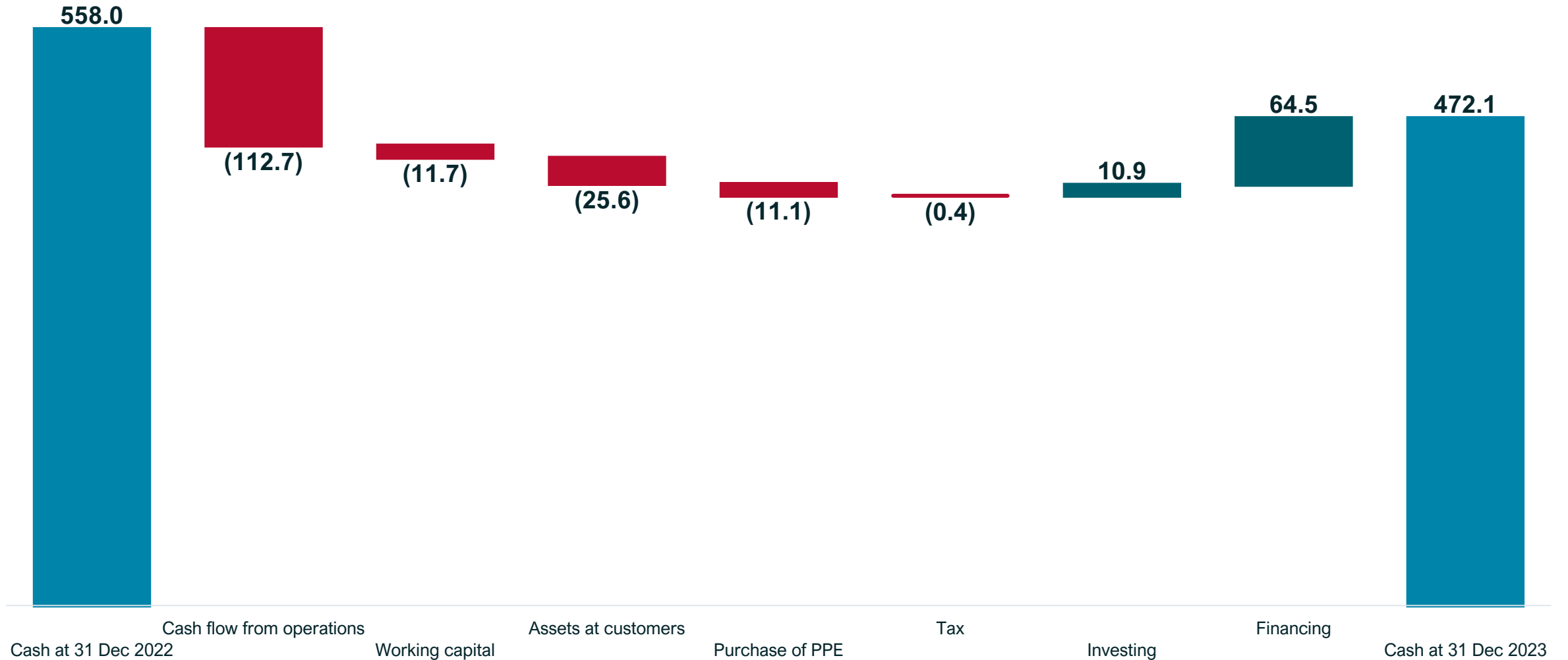
1. Average FTE

Adjusted EBITDA

	FY23	FY22
	£m	£m
Loss for the period	(154.5)	(91.0)
Income tax expense	4.7	7.6
Depreciation	23.1	20.4
Amortisation	18.5	11.4
Finance Income	(18.9)	(5.9)
Other	2.2	1.6
EBITDA	(124.8)	(55.9)
Founder LTIP	20.9	53.2
Employers Social Security on Founder LTIP and pre-IPO Share Awards	(0.9)	(21.6)
Gain on sale of property	-	(18.6)
Settlement of DHSC Covid Testing contract	-	(37.9)
Other	(0.1)	2.2
Adjusted EBITDA	(104.9)	(78.6)

Cash, cash equivalents and other liquid assets

£m



Guidance

Nick Keher, CFO

FY24 Guidance

LSRT revenue

**20-30% underlying at CC¹
6-15% at CC¹**

- 20-30% underlying growth at CC reflecting end market dynamics, equivalent to £180-195m¹
- Underlying growth offset by headwinds from COVID and the EGP of up to £20m
- Revenue expected to return to historic 45:55 H1:H2 split

LSRT gross margin

~57%

- Operational improvements expected to be offset by mix
- Pricing updates expected to drive top line growth have the potential for short term impact on margins but expected to be neutral to positive longer term
- Margins expected to be higher in 1H vs 2H

¹ CC = constant currency. FY24 guidance is 6-15% on a constant currency basis. Equates to £180-195m at current exchange rates
Underlying LSRT revenue excludes EGP and COVID sequencing revenues. All references to underlying growth in this presentation are adjusted for EGP and COVID sequencing.

Medium-term guidance

LSRT revenue

>30% CAGR¹ FY24 - FY27
in-line with previous guidance

- Growth driven by continued roll out of the PromethION product range.

LSRT gross margin

>62% by FY27
previously >65% by FY26

- Operational improvements expected to be offset by mix

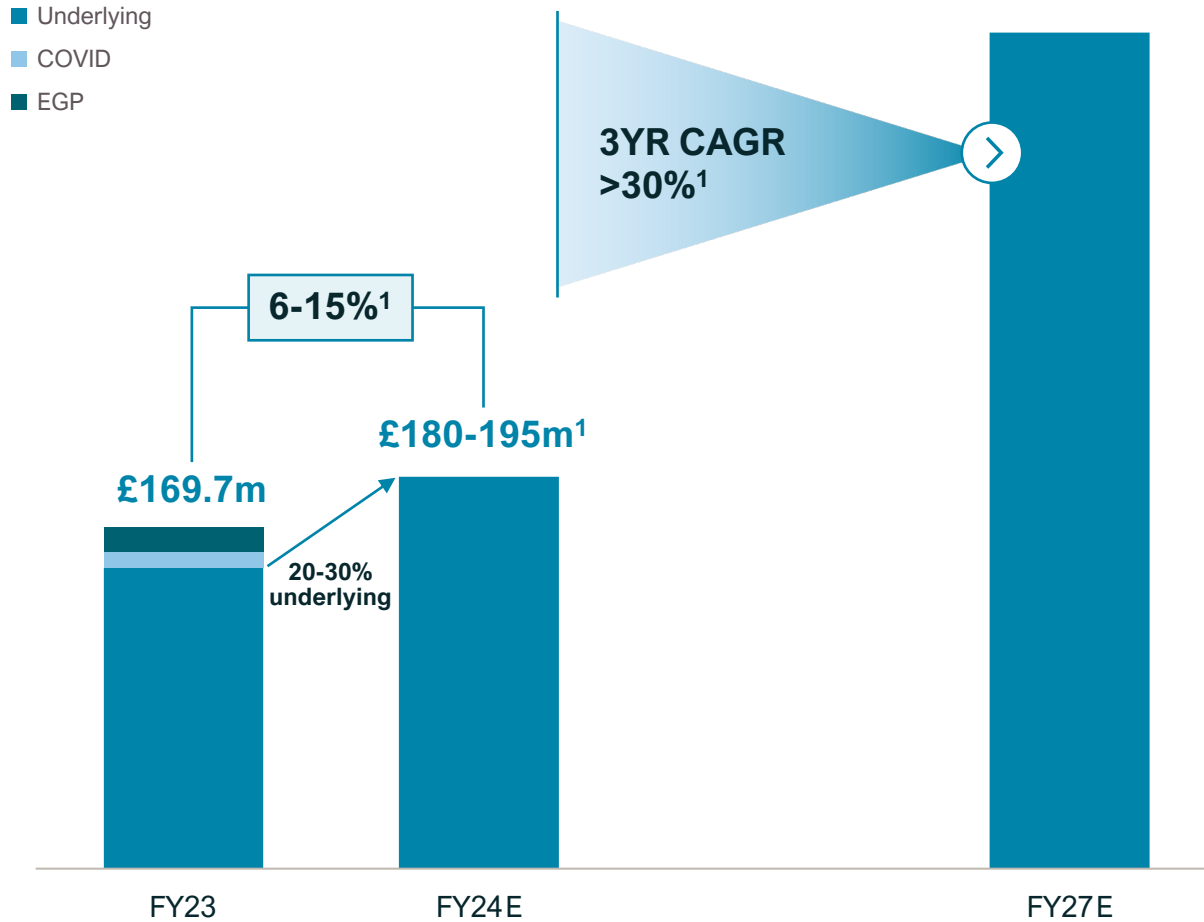
Adjusted EBITDA

breakeven in FY27
previously FY26

- Business is strongly capitalised with adequate resources to implement business plan to and through EBITDA breakeven

¹Medium term revenue guidance is on a constant currency basis

Medium term revenue outlook

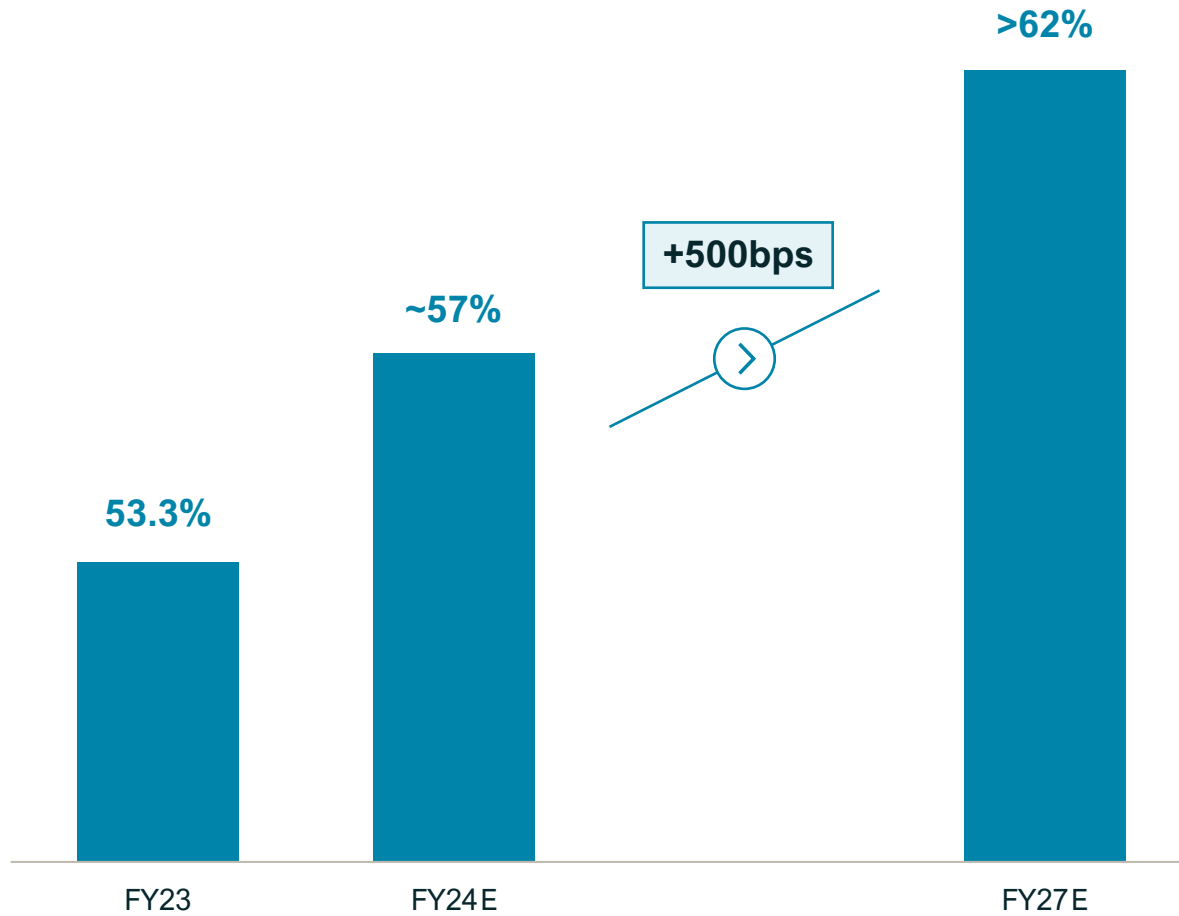


Key drivers

- Higher volume customer wins
- Uptake of Q-Line from H2 2024
- Success with partners in non-LSRT markets
- Continued growth in underlying LSRT market
- Timing of larger projects
- Continued PromethION product range adoption
- Increasing utilisation rates per device
- Pricing changes
- Introduction and adoption of new applications & workflows
- New device launches

¹At constant currency
CC = constant currency, which applies the same rate to FY22 and FY23 non-GBP results based on FY22 rates

Medium term margin outlook



Drivers

Mix of Device and Consumable revenues



Higher volume customers



Yield improvements and recycling



Mix of MinION and PromethION flow cell sales



Switch to consumable reordering



Industrialisation of manufacturing process and automation



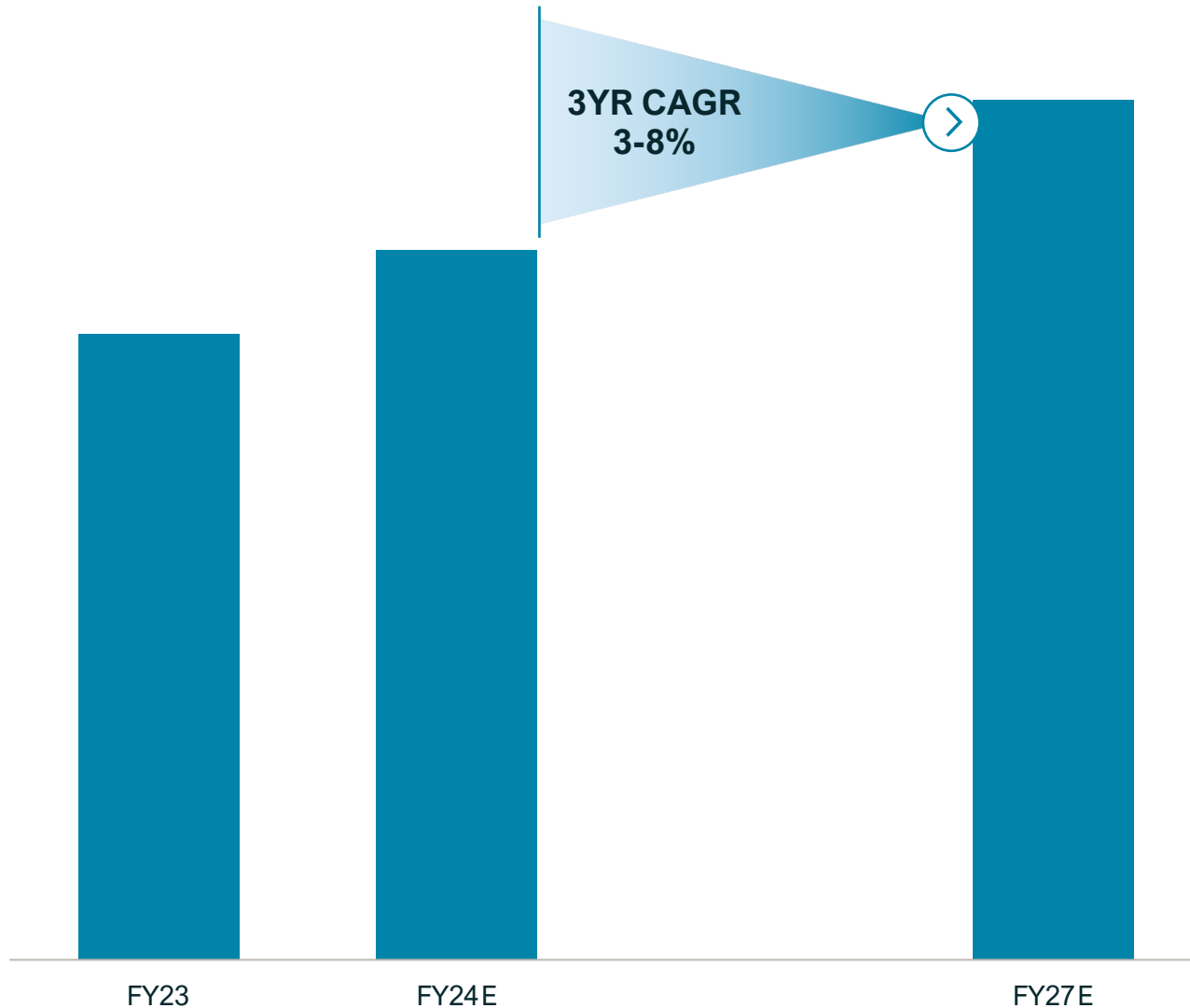
Inflation



Pricing



Medium term cost base



Key drivers

Annualisation of headcount increases in FY24 to see growth in spend in FY24

Absolute and relative level of spend to slow through FY24-27 to a single digit CAGR through mix of increased focus and selective investments.

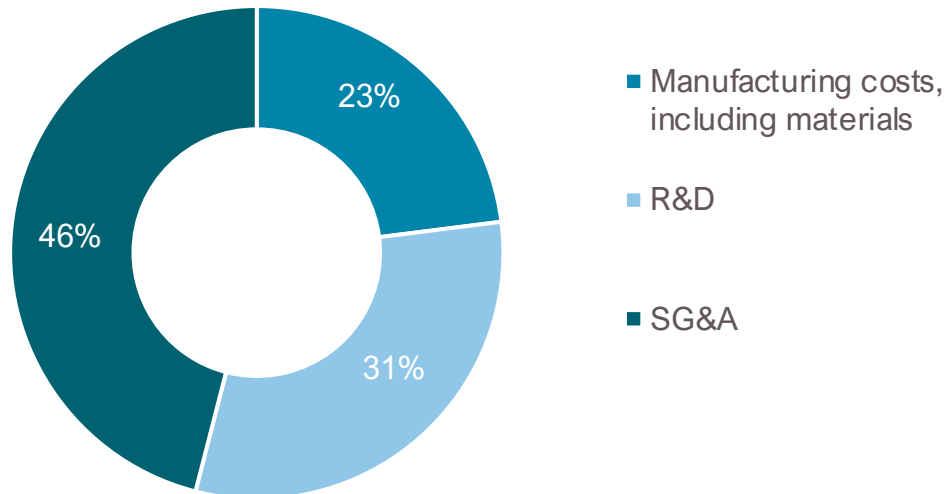
Future investments to selectively add capabilities or support long term growth with clear ROI

- Targeted investment to expand commercial reach and capabilities
- Investment in innovation to support longer term outlook, new devices and margin improvement
- Targeted activities to improve ROI on current activities

Capital allocation and expected operational leverage across the P&L

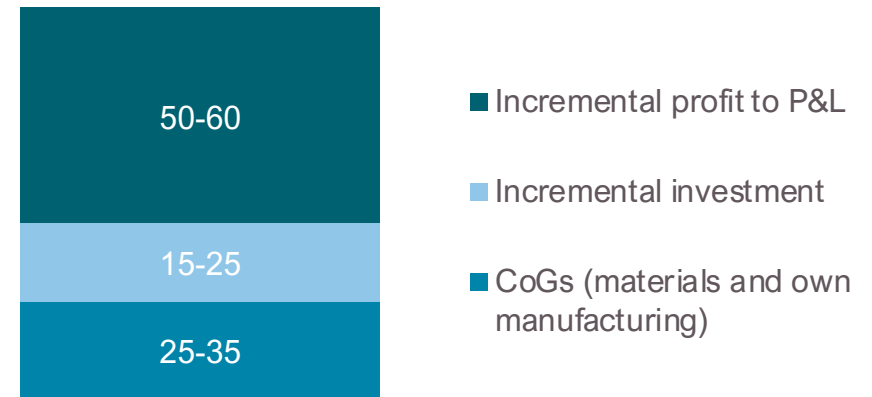
Total spend to date has been weighted towards building infrastructure to support a materially higher revenue line

Operational infrastructure that is reaching critical mass and represents a mix of semi-variable and largely fixed elements.



As we look forward, an increasing proportion of that revenue will be geared towards profitability

Indicatively, we now expect c.55p of every £1 of new revenue to improve profitability.



A solid, long term growth outlook



**>30%
CAGR¹**

LSRT revenue

Medium term revenue growth underpinned by differentiated technology



>62%

LSRT gross margin

Material scope for margin improvement over the medium term



2027

Adjusted EBITDA

Breakeven profitability in 2027 with operational leverage set to improve materially from H2 2024



£472m

Strong Balance Sheet

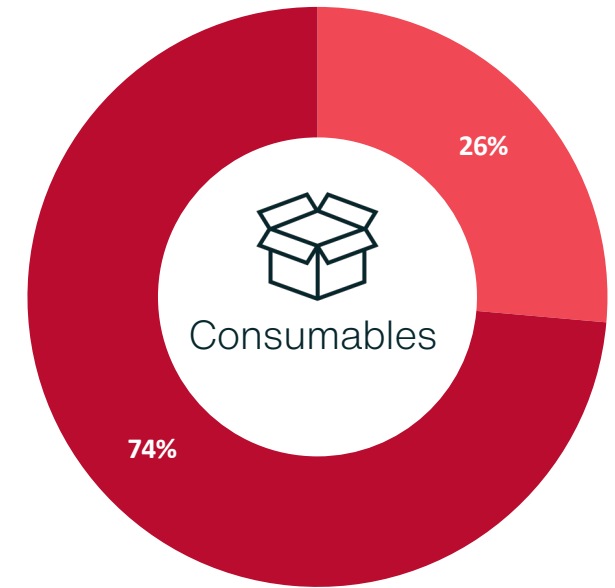
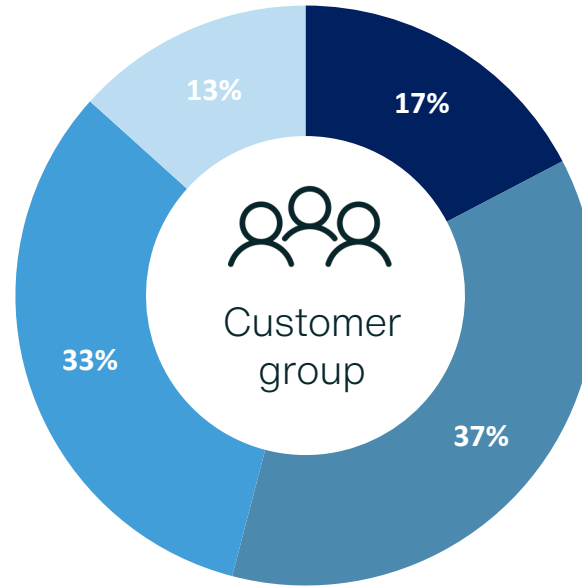
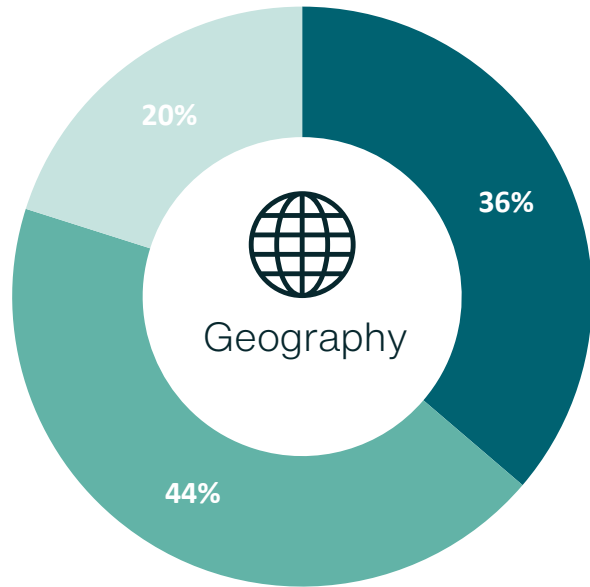
A strong balance sheet to support the business to and through EBITDA breakeven in FY27

¹At constant currency

Business highlights and outlook

Gordon Sanghera, CEO

Commercial execution driving strong growth across the business



3YR CAGR (2020-2023)

AMR	+46%
EMEI	+34%
APAC	+31%

3YR CAGR (2020-2023)

S1	+16%
S2	+38%
S3	+46%
Indirect	+61%

3YR CAGR (2020-2023)

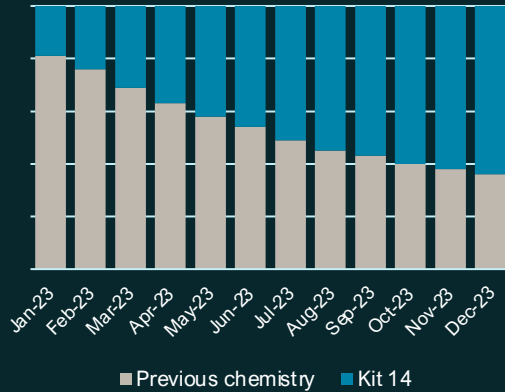
Devices & services	+40%
Consumables	+36%

Graphs show the breakdown of LSRT revenue for FY 2023

Innovation highlights of 2023

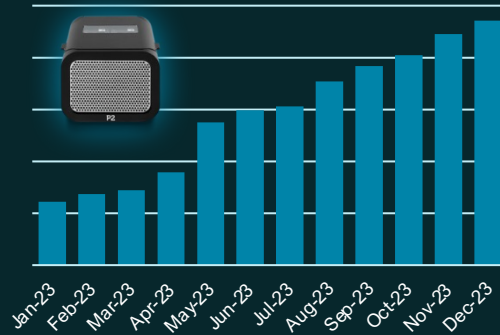
Innovation continues to be a key driver of growth

Q20+ Chemistry uptake



- Strong transition of our broad customer base to latest chemistry
- Delivering over 99% raw read nanopore data with highly accurate variant and methylation detection

PromethION



P2 solo install base

- Rapid uptake of P2 solo with 700 devices sold or leased in 2023
- P2(i) entering early access now



Basecalling keep up



MinION: Apple M1 max or M2 max
Real-time Q20+ basecalling of 1 MinION flow cell

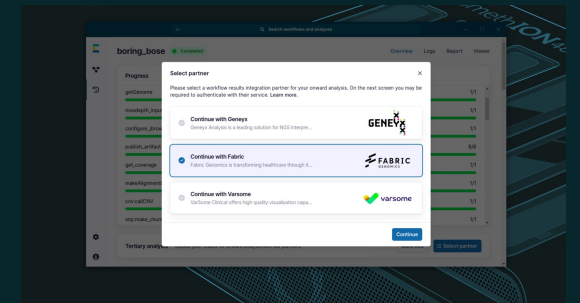
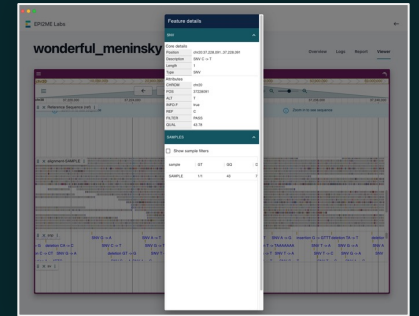


GridION: GV100
Real-time Q20+ basecalling of 5 MinION flow cells



PromethION : A Series
Real-time Q20+ basecalling of 48 PromethION flow cells

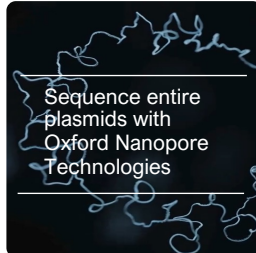
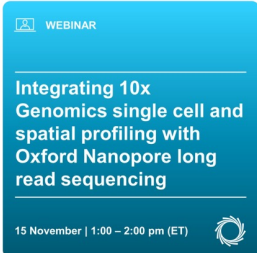
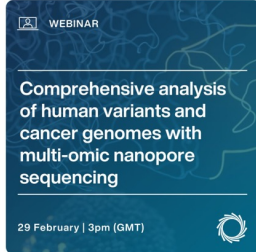
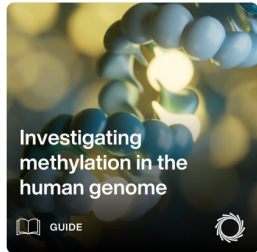
Integrated Analysis



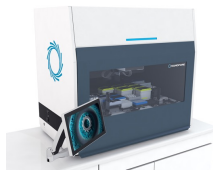
Focus areas for 2024

How innovation will continue to drive growth

Sample to answer



- Deliver fully integrated experiences for key applications
- Release sample to answer products (Project TurBOT)



Q-Line



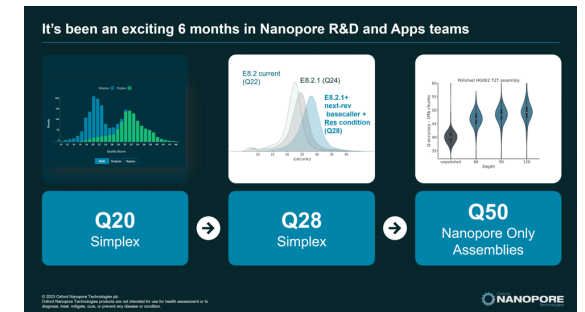
- Accelerate adoption of Nanopore sensing in applied markets with upgrade of Q-Line GridION and launch of PromethION Q-line throughout 2024

MinION - 10 years



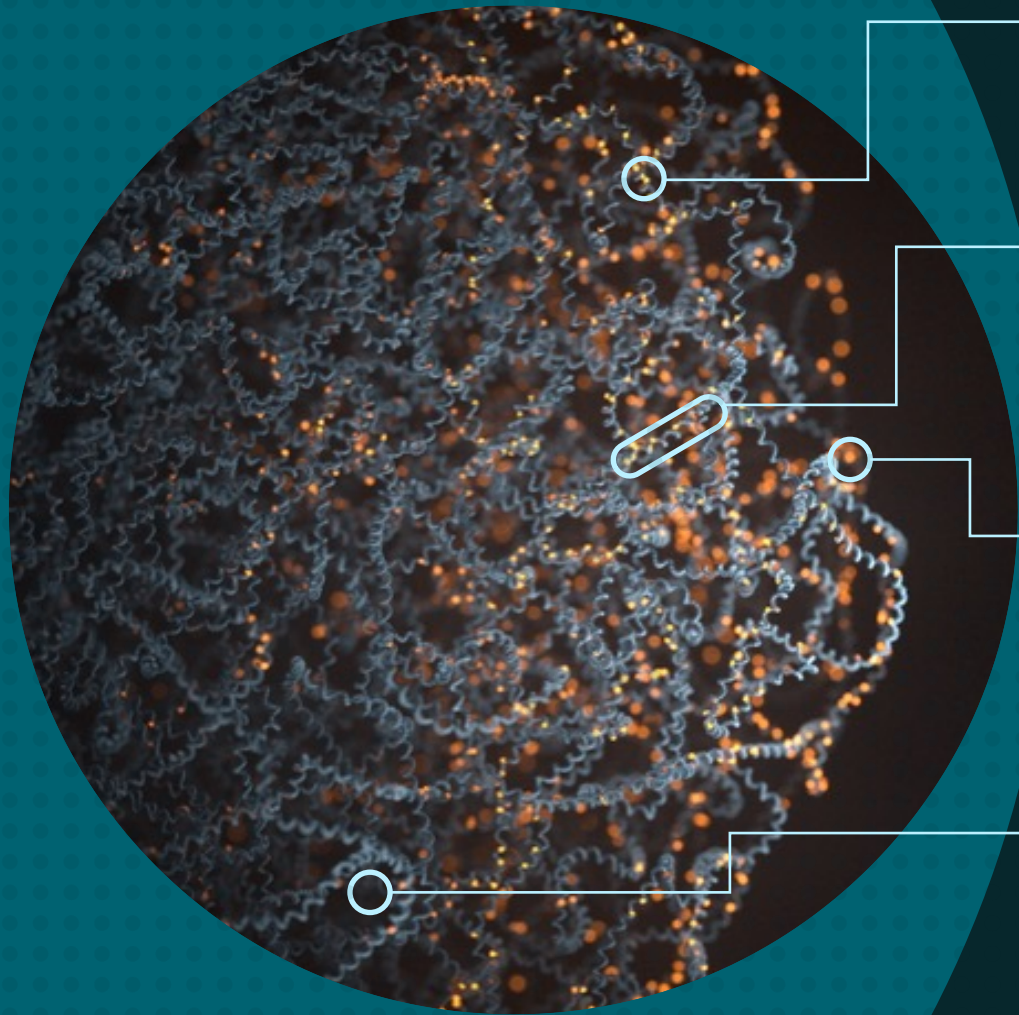
- Launch of MinION Mk1D delivering improved temperature control for better performance
- Coupling of Mk 1D to our iPad accessory for portable, fully integrated sequencing

Next platform improvements



- Continued drive on raw read accuracy
- Step changes in consensus accuracy delivering Nanopore only T2T
- Delivering the most complete genome from a single platform

Multi-omics for broad applications: customers can have more with nanopore



Small variants

- SNPs and INDELS
- Short reads and nanopore both deliver
- E.g. Sickle cell disease and cystic fibrosis

Larger, more complex variants

- inc Copy Number Variants, Repeats, Expansions. 1/3 of genetic variation in SVs,
- nanopore delivers but short reads struggle
- E.g. alzheimer's, Parkinsons

Epigenetics

- Methylation (modified bases)
- Nanopore delivers native, real time, for free. Short reads require additional, complex and costly process
- E.g. cancer, complex disease, plants

Dark genome

- Areas of the genome previously unseen by short reads
- Nanopore delivers through 'telomere to telomere' capabilities
- E.g. clinically and scientifically relevant regions



Research market:

Across research applications, customers can see more information, faster and more affordably



Emerging clinical and applied markets:

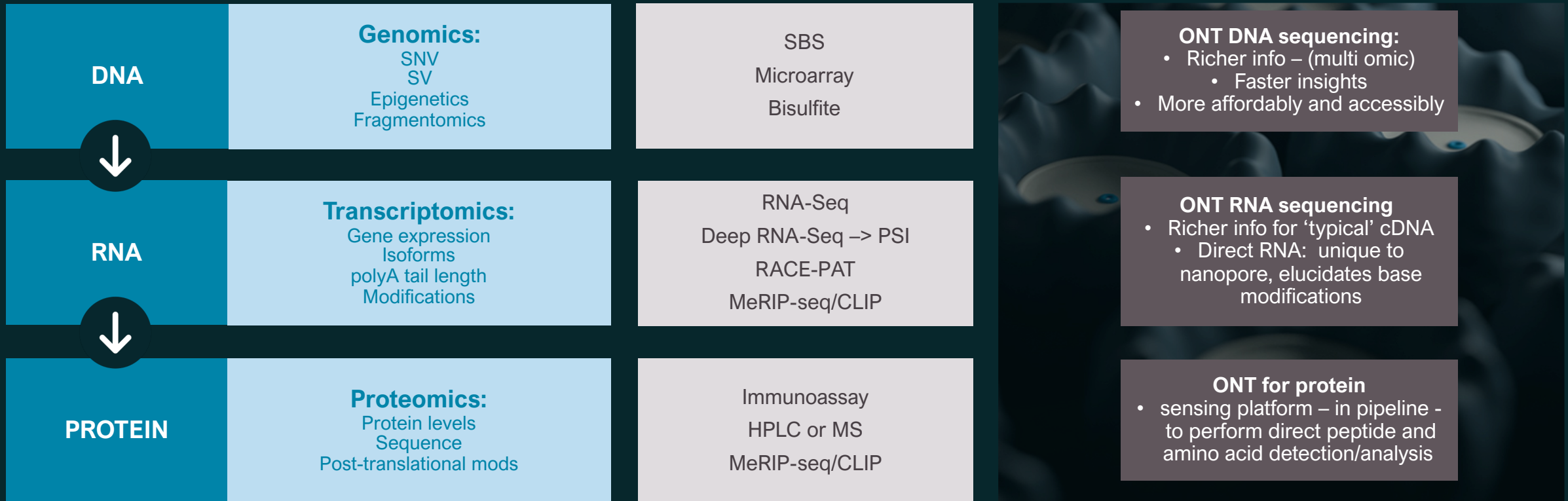
More possibilities, in broad potential markets reached typically with partners

Substantial opportunities arise from multi-omics approach

Life Science customers utilise more than DNA information

Currently addressed by multi-billion \$ industries

Oxford Nanopore opportunity to penetrate, reshape and expand



Translated to our core commercial focus areas

Priority research applications act as foundation for emerging clinical applications



Human

High Throughput WGS at Scale from High-N-to-PopGen



Cancer

Cancer Research & Immuno-Oncology Applications



Infectious

Viral, Microbial, Infectious & Synthetic Genomes

Technology Applications



Single Cell



Methylation



Emerging

Industry Sectors



BioPharma



Clinical Labs



AgBio

Commercial Channels



Direct



Distributors

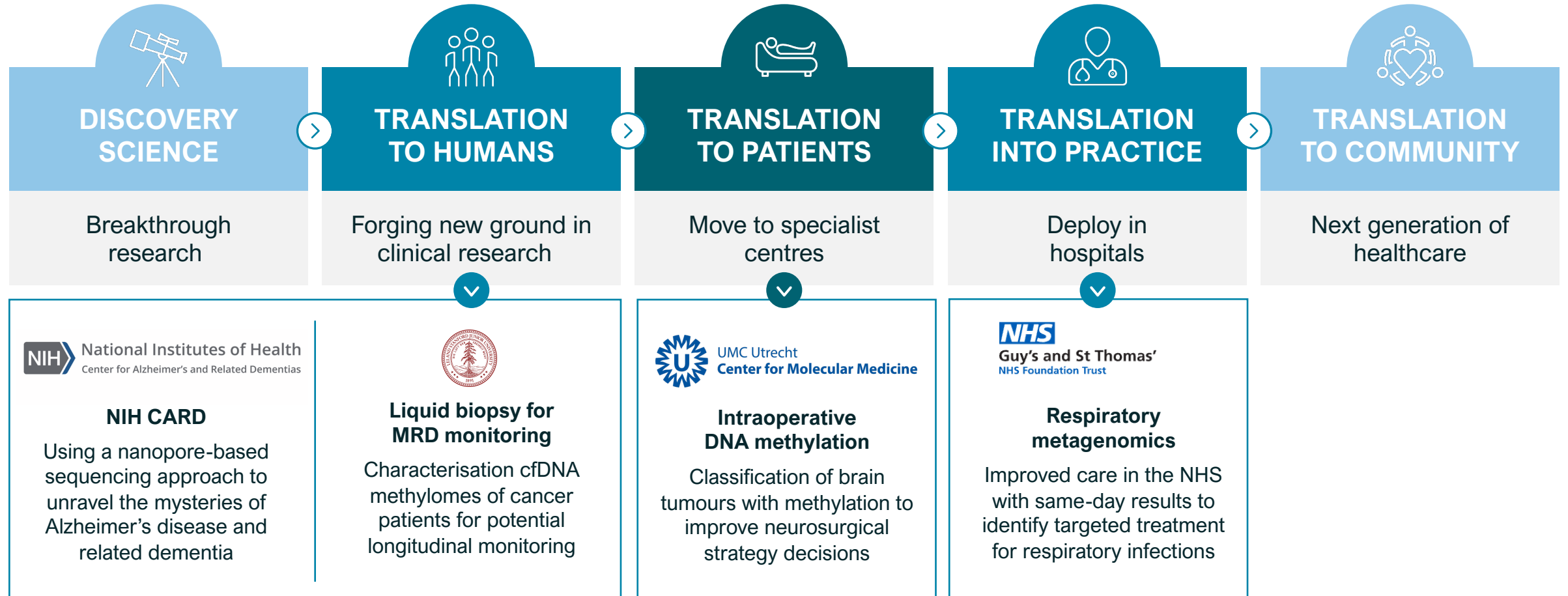


CSPs



Core Labs

We are at the beginning of our transformational journey



Partnership strategy enables broader access to clinical and industrial markets

- Oncology
- Human Genetics
- Infectious Disease
- Vet & Ag
- Biopharma QC
- Food & Env

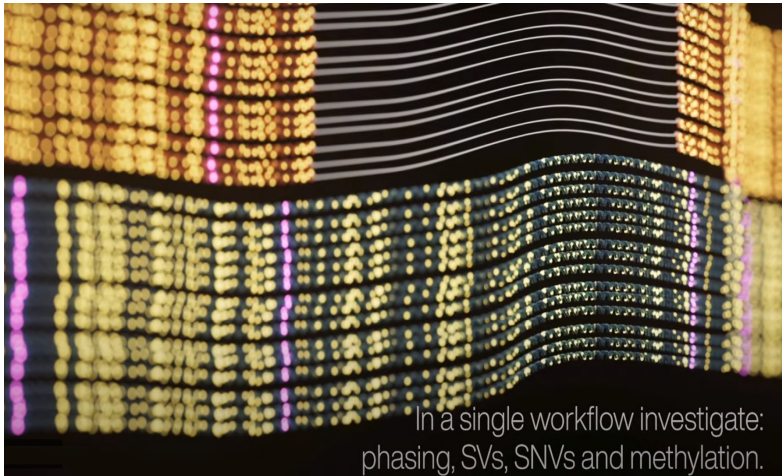


Announced Partnerships in Clinical & Applied Industrial

Highly differentiated platform will drive long-term value creation



Richer insights



In a single workflow investigate:
phasing, SVs, SNVs and methylation.



Faster time to result



Complement rapid sample prep with
data streaming & no need for batching



Accessible & affordable



Fully accessible with starter pack model
and competitive price per GB

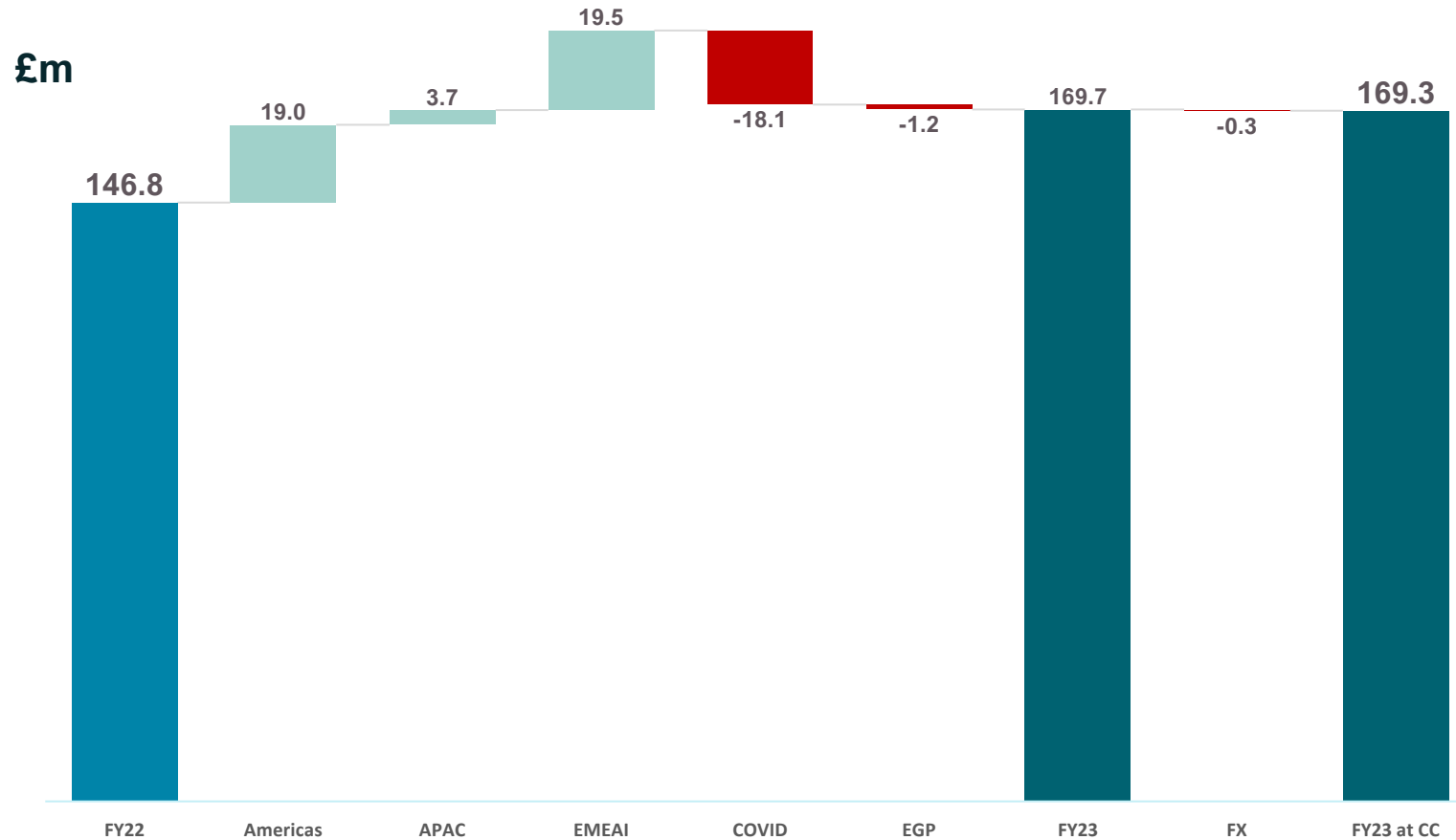
Multi-omics data
Sequence Native DNA/ RNA of any length

Complement rapid sample prep with
data streaming & no need for batching

Fully accessible with starter pack model
and competitive price per GB

Appendix

LSRT revenue growth driven by strong sales in EMEAI and the Americas



Strong underlying growth across all regions led by the Americas

- EMEAI up 50%
- Americas up 48%
- APAC up 13%

Underlying LSRT revenue excludes EGP and COVID sequencing revenues. All references to underlying growth in this presentation are adjusted for EGP and COVID sequencing.

Underlying revenue reconciliation by customer group

Customer group	FY23 £m	FY22 £m	Growth (%)
S1	29.4	26.4	11%
Less COVID sequencing	(0.8)	(2.5)	
Underlying S1 revenue	28.6	23.9	20%
S2	62.3	51.7	20%
Less COVID sequencing	(3.1)	(10.0)	
Underlying S2 revenue	59.2	41.7	42%
S3	55.3	46.7	19%
Less COVID sequencing	(2.4)	(9.2)	
Less EGP	(12.0)	(13.2)	
Underlying S3 revenue	41.0	24.3	69%
Indirect	22.6	22.0	3%
Less COVID sequencing	(1.7)	(4.4)	
Underlying indirect revenue	21.0	17.6	19%

Underlying revenue excludes COVID sequencing and EGP

FY23 LSRT revenue driven by direct customer acquisition

	FY23	FY22	Change
S1 (<\$25k)			
Number of active customer accounts	6,298	5,786	+9%
Avg. revenue per customer account (\$000s)	5.8	5.7	+2%
S2 (\$25k-\$250k)			
Number of active customer accounts	1,210	968	+25%
Avg. revenue per customer account (\$000s)	64.0	66.8	-4%
S3 (>\$250k)			
Number of active customer accounts	85	73	+16%
Avg. revenue per customer account (\$000s) ¹	641.9	581.0	+10%
Indirect			
Number of distributors	22	12	+83%
Avg. revenue per distributor (\$000s)	1,279	2,293	-44%

¹Excludes Revenue from the EGP

Active customers are defined as customers that have been active over a 12-month period.

FY22 and FY23 S1 customer numbers now exclude Avantor. Avantor now included in 'indirect' group.

Underlying revenue reconciliation by region

Region	FY23 £m	FY22 £m	Growth (%)
Americas	61.5	48.3	27%
Less COVID sequencing	(3.1)	(8.9)	
Underlying Americas revenue	58.4	39.4	48%
APAC	34.1	34.8	-2%
Less COVID sequencing	(1.2)	(5.6)	
Underlying APAC revenue	32.9	29.2	13%
EMEA	74.0	63.7	16%
Less COVID sequencing	(3.6)	(11.6)	
Less EGP	(12.0)	(13.2)	
Underlying EMEA revenue	58.4	38.9	50%

Underlying revenue excludes COVID sequencing and EGP

Summary income statement

	FY23	FY22
	£m	£m
Revenue	169.7	198.6
Cost of Sales	(79.2)	(74.8)
Gross Profit	90.5	123.8
Gross margin %	53%	62%
Operating expenses		
Research and development expenses	(103.8)	(69.2)
Selling, general & administrative expenses	(155.2)	(153.1)
Loss from operations	(168.6)	(98.5)
Other	18.8	15.1
Loss before tax	(149.8)	(83.4)

£105.5m¹

Total adjusted R&D expenses

+22%

£134.6m¹

Adjusted S, G&A expenses

+21%



¹See reconciliation of adjusted expenses on the next slide

Continued investment in innovation and commercial infrastructure

	FY23 £m	FY22 £m
Research and Development expenses	103.8	69.2
<i>Adjusting Items:</i>		
Employer's social security taxes on pre-IPO share awards	0.6	9.9
Adjusted research and development expenses	104.4	79.1
Amortisation of capitalised development costs	(18.4)	(11.4)
Capitalised development costs	19.5	19.2
Total R&D and capitalised development costs	105.5	86.8
Selling, general and administrative expenses	155.2	153.1
Share-based payment expense on Founder Long Term Incentive Plan (LTIP)	(20.9)	(53.2)
Employer's social security taxes on Founder LTIP and pre-IPO share awards	0.3	11.7
Adjusted Selling, general and administrative expenses	134.6	111.7

Balance sheet

	FY 2023	FY 2022
	£m	£m
Other Financial Assets	208.3	84.1
Other Non- Current Assets	121.6	101.7
Non-current assets	329.9	185.9
Current assets		
Inventory	101.5	87.7
Trade and other receivables	61.5	62.9
Current tax assets	1.0	-
R&D tax credit recoverable	12.8	9.1
Derivative financial assets	0.3	2.1
Other financial assets	49.5	119.4
Cash and cash equivalents	220.5	356.8
Total assets	777.1	823.9
Non-current liabilities	(44.0)	(38.8)
Current liabilities	(89.2)	(91.5)
Net assets	643.9	693.6
Total Equity	643.9	693.6



Other non-current assets includes higher capital expenditure on assets held under operating leases.

£13.8m increase in inventory reflects the shortening of lead times on core components, leading to earlier than planned deliveries of these items.

We expect inventory levels and capital expenditure on assets under operating leases to return to normal levels in relation to sales from 2024 onwards.



£472.1m

cash, cash equivalents and liquid investments¹

¹Includes treasury deposits and investment bonds