



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

Gordon Sanghera, CEO

Tim Cowper, CFO

06 September 2023 | Interim 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

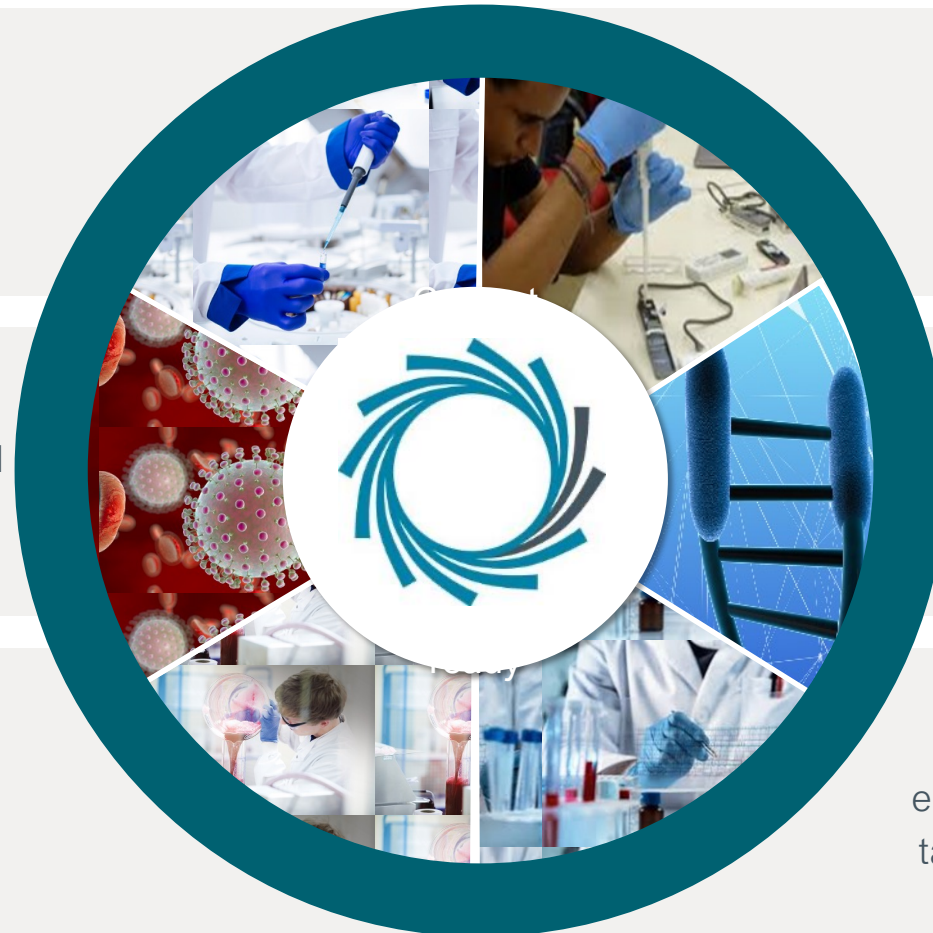
SUBSTANTIAL MARKET OPPORTUNITY

\$6.2¹ billion 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

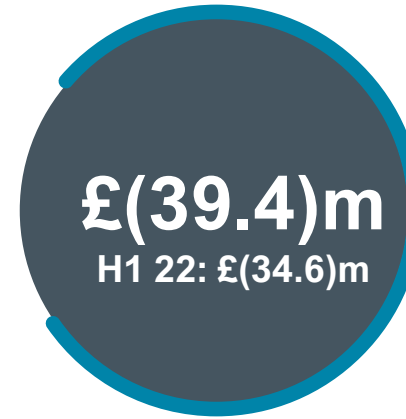
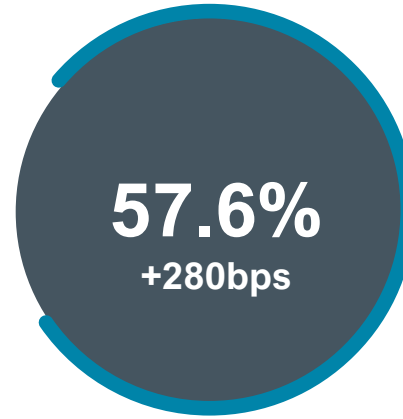
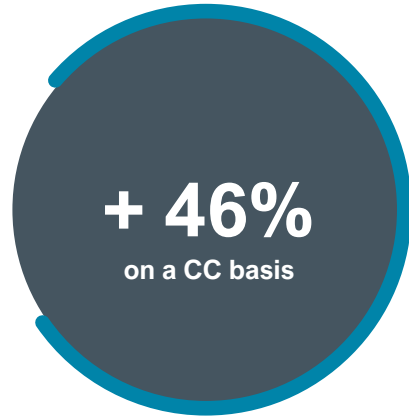
5

OUR PEOPLE

Experienced, driven leadership enabled by a highly ambitious and talented global team expanded to >1,100²

6

H1 2023 in numbers



TOTAL REVENUE

Total revenue for H123 is LSRT. Total revenue in H122 incl. LSRT and legacy Covid testing revenue (£51.8m)

UNDERLYING¹ GROWTH

Growth driven by new customer acquisition and increase in utilisation in existing accounts.

LSRT GROSS MARGIN

Driven by improvements to manufacturing techniques and efficiency

Adjusted EBITDA

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

STRONG BALANCE SHEET³

Supporting our execution of our innovation pipeline and commercial expansion

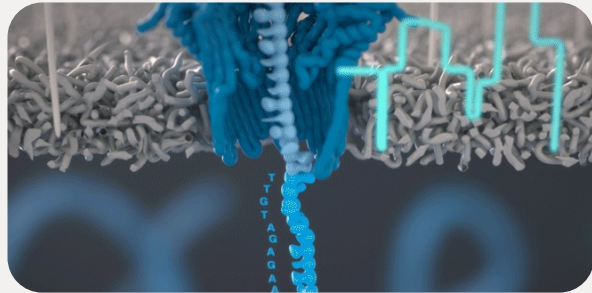
¹Underlying revenue growth is LSRT revenue growth excluding revenues from the EGP and COVID sequencing

²Cash, cash equivalents and liquid investments

CC = Constant currency, which applies the same rate to the H123 and H122 non-GBP results based on HY22 rates

How we deploy our platform

NANOPORE SEQUENCING



- ✓ Retain all the biological information, including methylation
- ✓ Simple chemistry and hardware with no labels or optics required
- ✓ No GC bias, access the whole genome
- ✓ Read any fragment size

OUR FLOW CELLS

Flongle



MinION



PromethION



SCALED TO ANY DEVICE



Devices



Library preparation



Analysis software

ENABLED FOR ANY APPLICATION

Broad customer base

Supported through multiple channels

BROAD CUSTOMER BASE

“S1” Customers

“S2” Customers

“S3” Customers

**“Indirect”
Distributor served customers**

DIGITAL TOOLS

REMOTE & ON-SITE SUPPORT

ONE COMMUNITY

**>43,000
community users**

H1 2023 focus areas

Innovation driving customer growth, demanding operational excellence

INNOVATION



- ✓ P2 Solos in hundreds of labs
- ✓ P2(i) with developers
- ✓ Dorado in MinKNOW accelerating basecalling & methylation calling
- ✓ A-series PromethION upgrade popular
- ✓ Q20+ chemistry widely adopted

CUSTOMER



- ✓ Nanopore community rapidly growing
- ✓ New collaborations paving the way for longer term markets in clinical and applied
- ✓ Growing adoption in research space with projects such as lonGER

OPERATIONS



- ✓ Continued scale-up of manufacturing
- ✓ Deployment of automation in consumable production
- ✓ Improved logistics with new partners in USA, Singapore and Australia
- ✓ Expanding global footprint to serve harder to reach markets

Transforming PromethION

With algorithm acceleration on P24, P48, and P2 launches

P24 & P48 UPGRADES



4.5X increase¹
in basecalling speed

A-series towers paired with MinKNOW and Dorado integration.

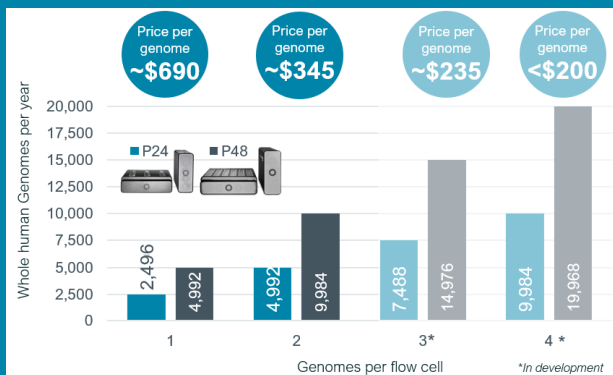
Further speed-up in development

P2: Democratising large genome research



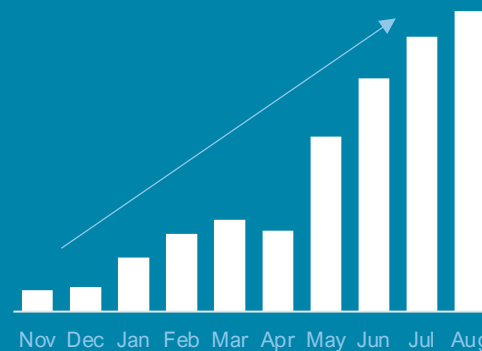
From only
\$10,455

P2 solo is rapidly surpassing expectations with hundreds of devices in >45 countries



Enables real-time basecalling on >2,500 genomes / year per P24

Human genomes from \$345 - \$690² with strong pipeline to further reduce price



Utilisation rates rapidly increasing

Across a broad user base and application space

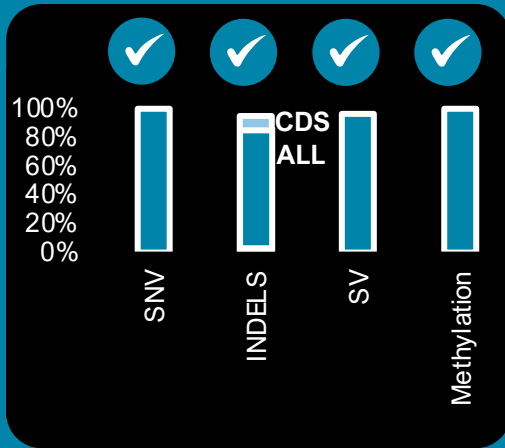
¹ From 8 flow cells on a P48 V100 tower using Guppy to 36 flow cells in real time with Dorado on A-series towers

² Low pass (20X) human genomes available now for SV and Methylation detection for \$345. 30X – 40X human genomes at \$690

Transforming performance with Q20+ chemistry

>90% of new flow cell orders for PromethION are for latest consumables that deliver “Q20+” performance

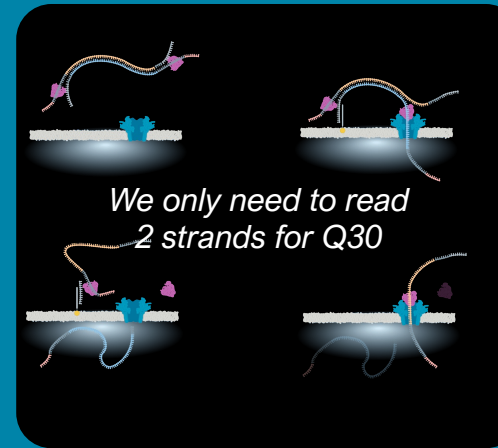
SIMPLEX PERFORMANCE



+99%
Accuracy

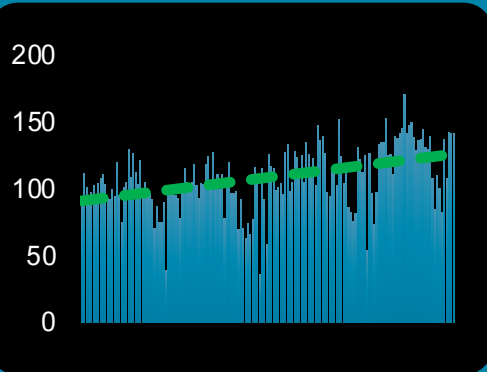
High precision variant
detection at scale

HIGH DUPLEX EARLY ACCESS



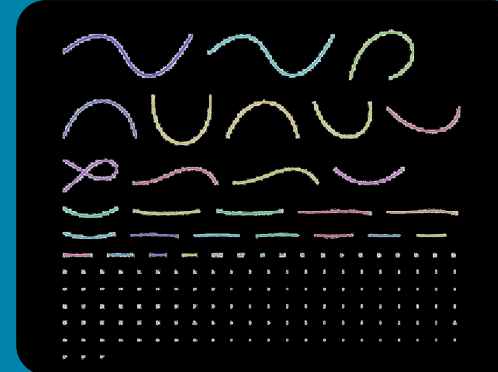
+99.9%
Accuracy

Valuable for
assembly and
metagenomics



+100 Gb¹
Output

Routinely seen in field
and increasing



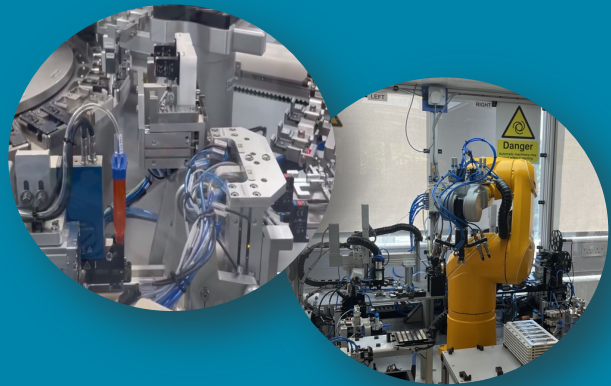
Delivering
Chromosome Level
“T2T” assemblies

on Nanopore only....in
any lab

Scaling our manufacturing operations

Meeting increasing demand whilst focusing on product robustness and reproducibility

EXCELLENCE IN CONSUMABLE FLOW CELL MANUFACTURING



Innovation

Drives product consistency and margin improvements

SCALING LIBRARY PREPARATION MANUFACTURING

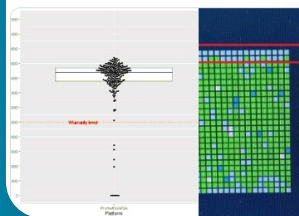


Scale-up

New capabilities and automation established to scale library preparation production

Rasmus Kirkegaard
@kirksgaard

Over the last few months we have QCed more than 200 R10.4.1 Promethion flowcells and only 10 have failed to meet the warranty. In general we see somewhere between 8000-9000 pores. Would still appreciate if someone at @nanopore would fill the positions around the edges :)



Florian Kraft
@fokraft_

Looks like another run with 150+ GB output for human genomes @nanopore

Health	Run time	Run rate	Reads	Estimated bases
Active	10.9 M	147.83 GB		
Active	10.8 M	146.59 GB		
Active	10.52 M	150.49 GB		
Active	10.81 M	149.99 GB		
Active	10.82 M	148.02 GB		
Active	10.81 M	137.03 GB		
Active	10.71 M	146.14 GB		

Reproducibility

Focus on customer performance delivering in field improvements in output and robustness

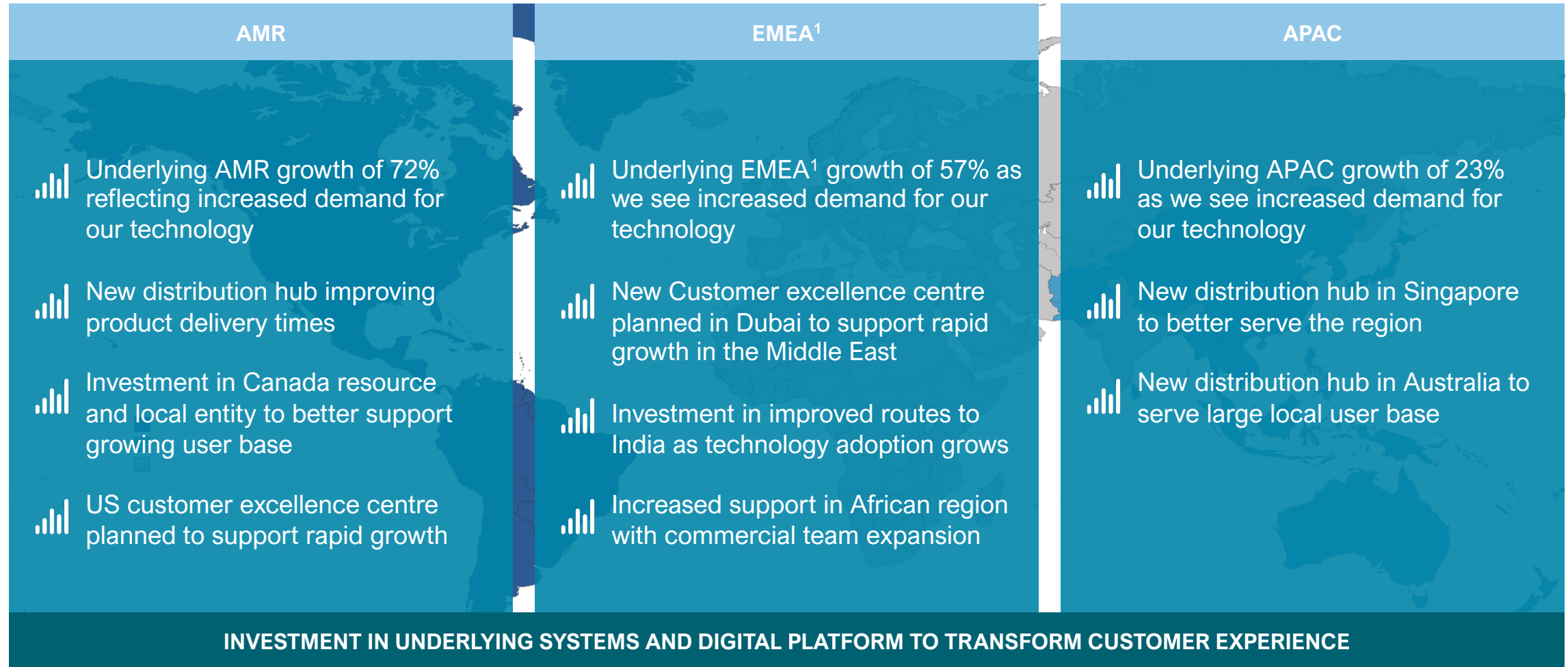
Quality

Expanding QC capabilities across flow cells, reagents and devices with path towards regulatory markets



Accelerating commercial execution

Growth in technology adoption, commercial team and global footprint



H1 2023 Financial Review

Tim Cowper, CFO

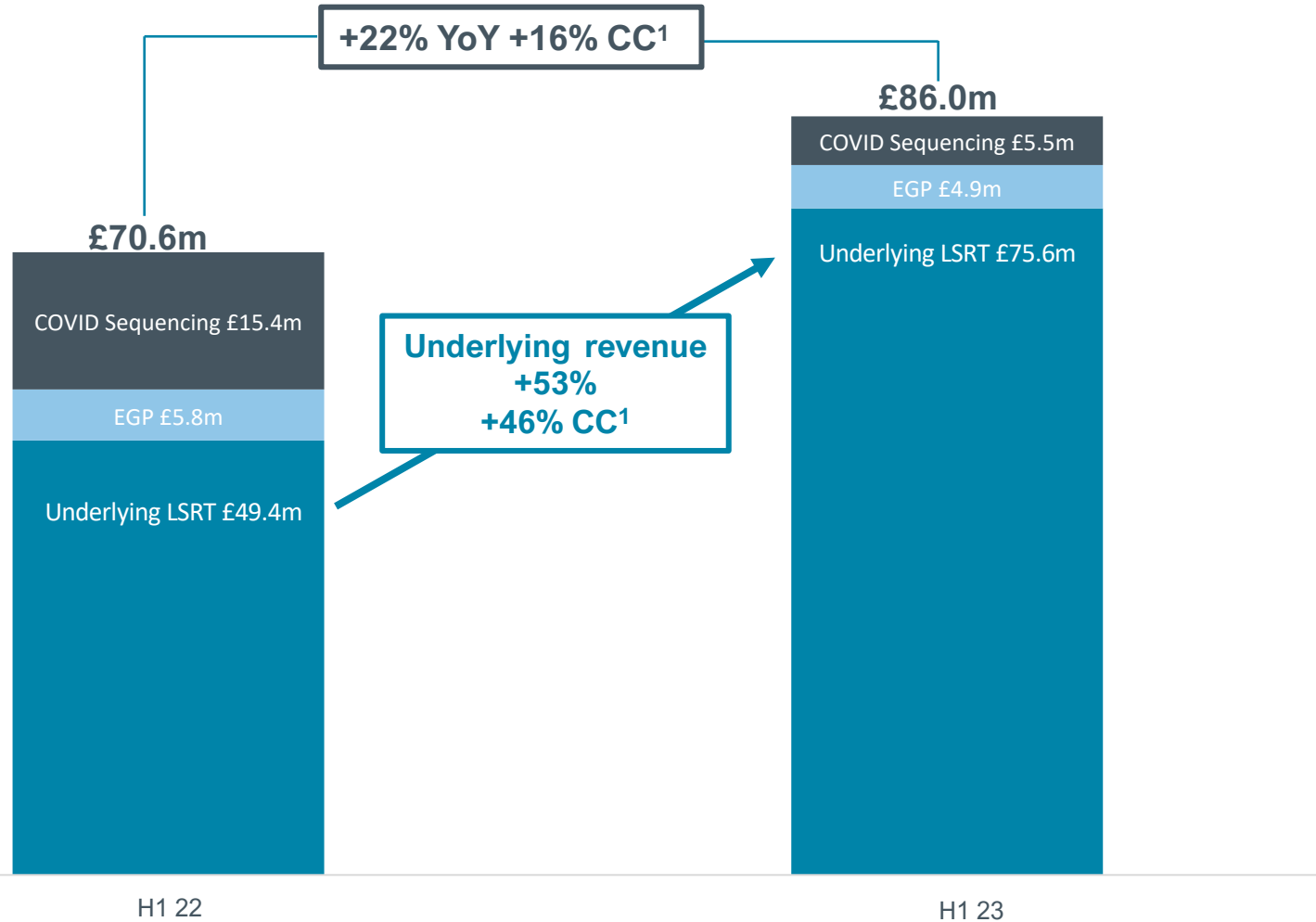
H1 2023 key numbers



LSRT REVENUE	LSRT GROSS MARGIN	TOTAL REVENUE	ADJUSTED EBITDA	STRONG BALANCE SHEET
Growth driven by new customer acquisition. Reported growth up 22%	Driven by automation and improved manufacturing processes	LSRT revenue offset by end of legacy Covid testing revenue (H123 £0m; H122 £51.8m)	Higher LSRT gross profit offset by increased investment in R&D and commercial team	Supporting execution of innovation pipeline and commercial expansion

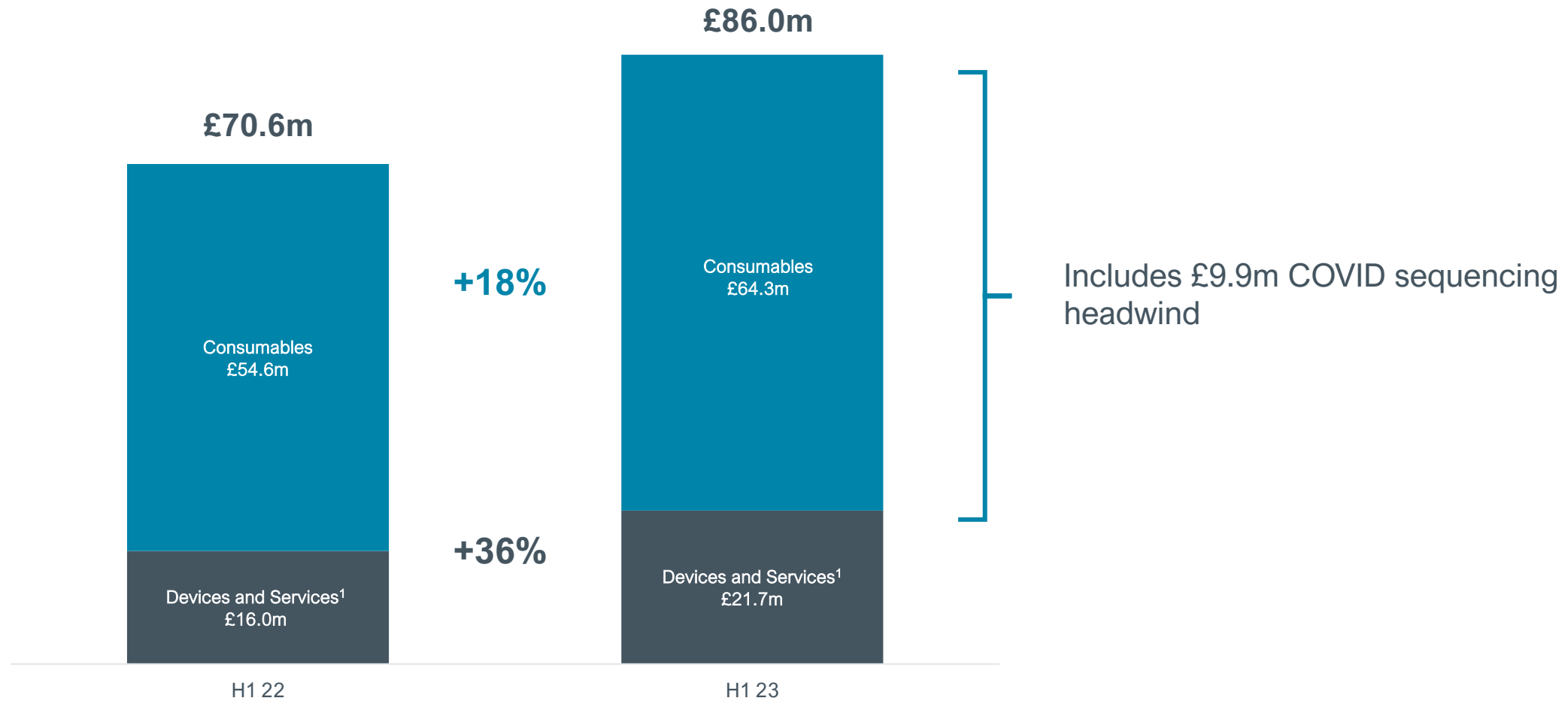
1 Underlying growth excludes revenue from the EGP and COVID sequencing
 2 Cash, cash equivalents and liquid investments
 CC = Constant currency, which applies the same rate to the H1 23 and H1 22 non-GBP results based on H1 22 rates

Continued robust underlying growth in LSRT business



¹CC= constant currency, which applies the same rate to H1 22 and H1 23 non-GBP results based on H1 22 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.

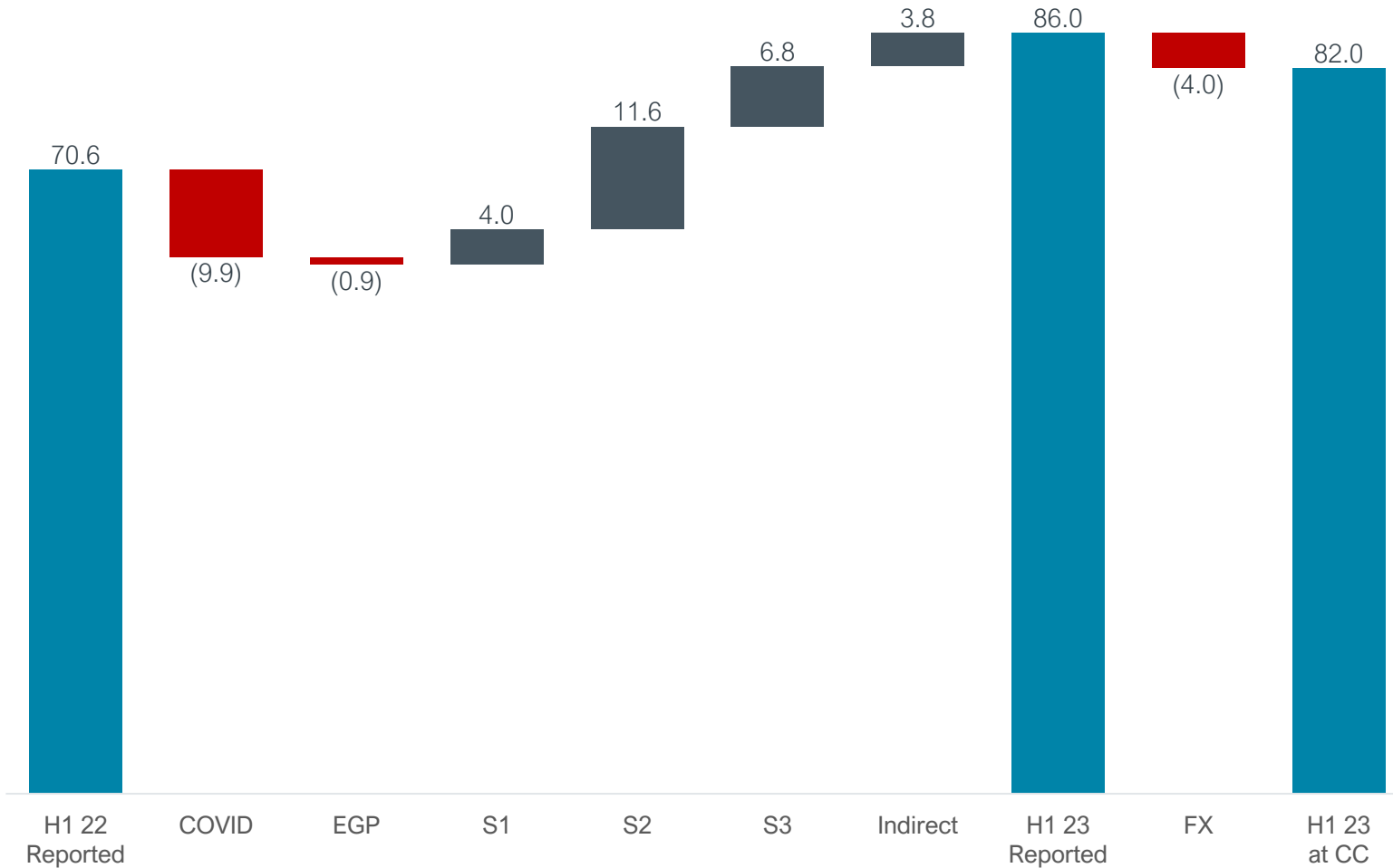
LSRT revenue growth driven by consumables sales



¹Includes Licence & Warranty and other revenue
Consumables revenue on the graph above includes the consumables included in starter pack revenue

Strong underlying revenue growth across all customer groups

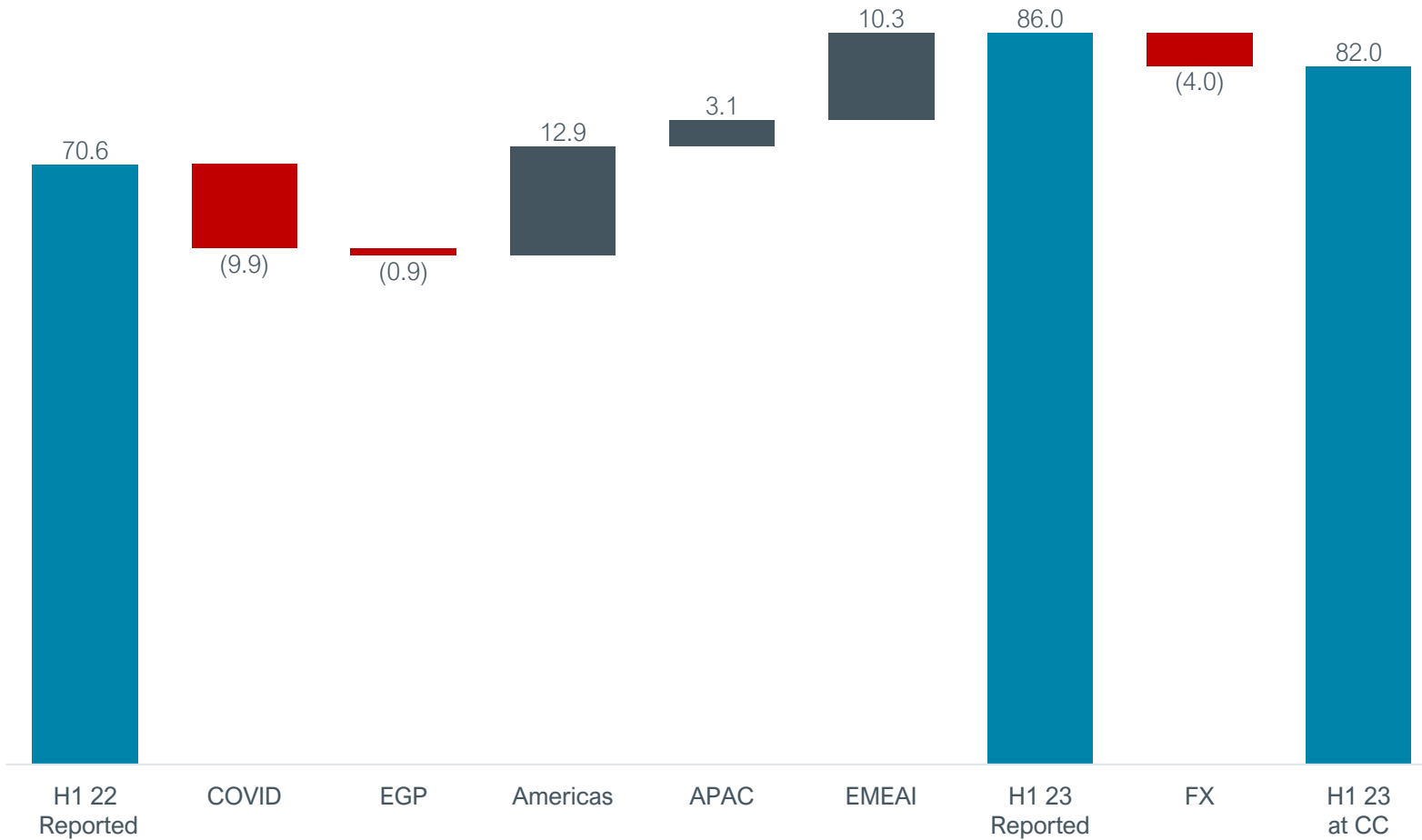
£m



- Strong underlying growth in all customer groups led by S2:
 - S1 up 36%
 - S2 up 61%
 - S3 up 53%
 - Indirect up 61%

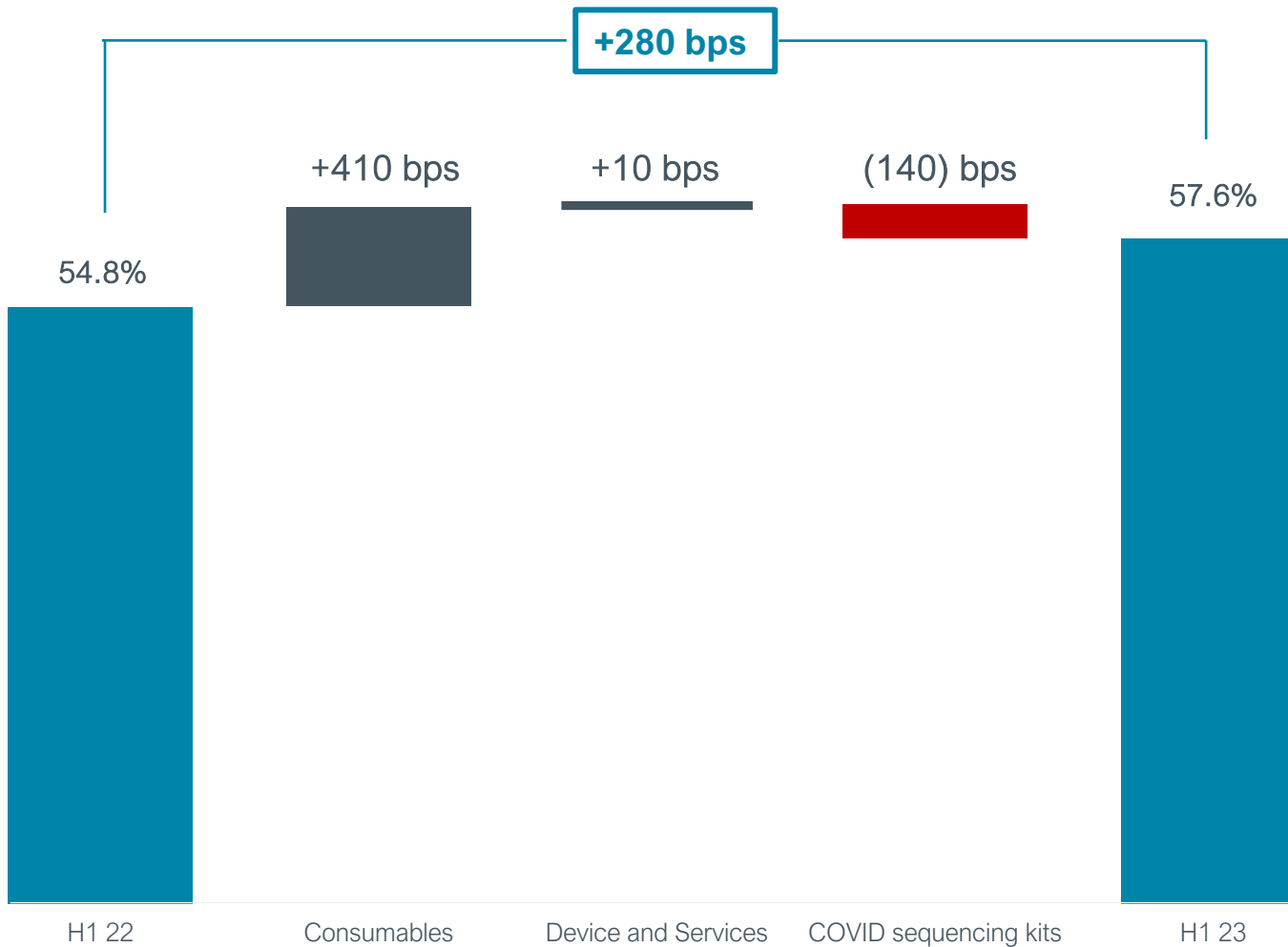
LSRT revenue growth driven by strong sales in the Americas

£m



- Strong underlying growth across all regions led by the Americas:
 - Americas up 72%
 - APAC up 23%
 - EMEAI up 57%

Strong growth in consumable margins



- Strong growth in consumables margin reflects operational improvements to flow cell production
- Only small increase in device and services margin, despite 36% increase in revenues, mainly due to upgrade of PromethION compute
- Excess inventory of COVID sequencing kits written off, resulting in 140 bps headwind in H1

Continued investment in innovation and commercial infrastructure in H1 23

£49.0m¹

Total adjusted R&D expenses

(57% of LSRT sales)

+20%

Principally due to a 24% increase in R&D headcount

£61.9m¹

Adjusted S,G&A expenses

(72% of LSRT sales)

+33%

Principally due to a 47% increase in the commercial team

Adjusted EBITDA

	H1 23 £m	H1 22 £m
Loss for the period	(70.1)	(30.2)
Income tax expense	3.5	2.5
Depreciation	11.2	10.0
Amortisation	8.7	6.1
Finance Income	(7.2)	(0.9)
Other	1.1	0.6
EBITDA	(52.9)	(11.7)
Founder LTIP	14.9	35.4
Employers Social Security on pre-IPO Share Awards	(1.3)	(20.4)
Settlement of DHSC Covid testing contract	-	(37.9)
Other	(0.1)	-
Adjusted EBITDA	(39.4)	(34.6)

Strong balance sheet

	H1 23 £m	FY 22 £m
Other Financial Assets	109.9	84.1
Other Non-Current Assets	103.9	101.7
Non-current assets	213.8	185.9
Current assets		
Inventory	102.9	87.7
Trade and other receivables	56.1	62.9
R&D tax credit recoverable	8.5	9.1
Current tax recoverable	0.5	-
Derivative financial assets	1.2	2.1
Other financial assets	40.9	119.4
Cash and cash equivalents	334.8	356.8
Total assets	758.8	823.9
Non-current liabilities	(26.7)	(27.8)
Current liabilities	(90.9)	(102.5)
Net assets	641.2	693.6
Total Equity	641.2	693.6

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

£15.2m 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.

£484.6m
cash, cash equivalents and liquid investments¹

FY23 and medium-term financial guidance

	FY23 guidance	Medium-term (FY26) guidance
LSRT revenue	<p>>40% underlying revenue growth on a CC basis</p> <p>18-25% on a CC basis</p>	<p>>30% underlying revenue growth on a CC basis per annum</p>
LSRT gross margin	<p>>57%</p>	<p>>65% by FY26</p>
Adjusted EBITDA		<p>Targeting breakeven by FY26</p>

H1 summary

- 1** Delivered **strong underlying revenue growth** across broad customer base, driven by consumables sales.
- 2** Delivered **strong gross margin progress** despite significant global supply chain challenges. Operational improvements made in H1 will drive margin expansion towards 65% medium term target.
- 3** **Strong balance sheet of £485m** in cash, cash equivalents and liquid investments, despite significant increase in inventory levels.
- 4** Progress made in **new market applications will be a key driver of long-term growth.**

Summary and outlook

Gordon Sanghera, CEO

Delivering strong growth every year

SHORT-MID TERM EXECUTION

- Differentiated technology**
 - Information rich data
 - Any read length
 - Run at any scale
 - Rapid, real time
- Strong innovation pipeline**
 - Drive performance improvements
 - Introduce new products
- Commercial expansion**
 - Growing customer base
 - Doubled commercial team to better support customers
- Operational Excellence**
 - Production scale up
 - Product robustness & reproducibility improvements
 - Margin expansion

LONG TERM OPPORTUNITY

- New Applications**
 - Protein sensing
 - Multi-omics
- New Markets**
 - Clinical
 - BioPharma
 - AgBio
- New Platforms**
 - "SmidgION" ASIC
 - Voltage sensing
- New Geographies**
 - Accessibility drives geographical expansion of sequencing

Year	Revenue (£m)
2018	£33m
2019	£52m
2020	£66m
2021	£127m
2022	£147m

3 Year LSRT CAGR +41%¹

National genomics strategies deploy Oxford Nanopore

US NIH study shows comprehensive, high accuracy sequencing for population-scale genomics



"We can discover structural variants with F1-scores comparable to state-of-the-art methods (but at a lower cost and greater throughput)."

NIH Center for Alzheimer's and Related Dementias*

UK integrating nanopore sequencing into the NHS



The UK National Institute for Health and Care Research:

Cohort study sequencing up to 22,000 samples

Cancer 2.0 with Genomics England:

Royal Marsden Hospital and Leeds programme to rapidly sequence whole cancer genomes

Exeter NHS Genomics Laboratory:

Advancing UK's rare disease programme

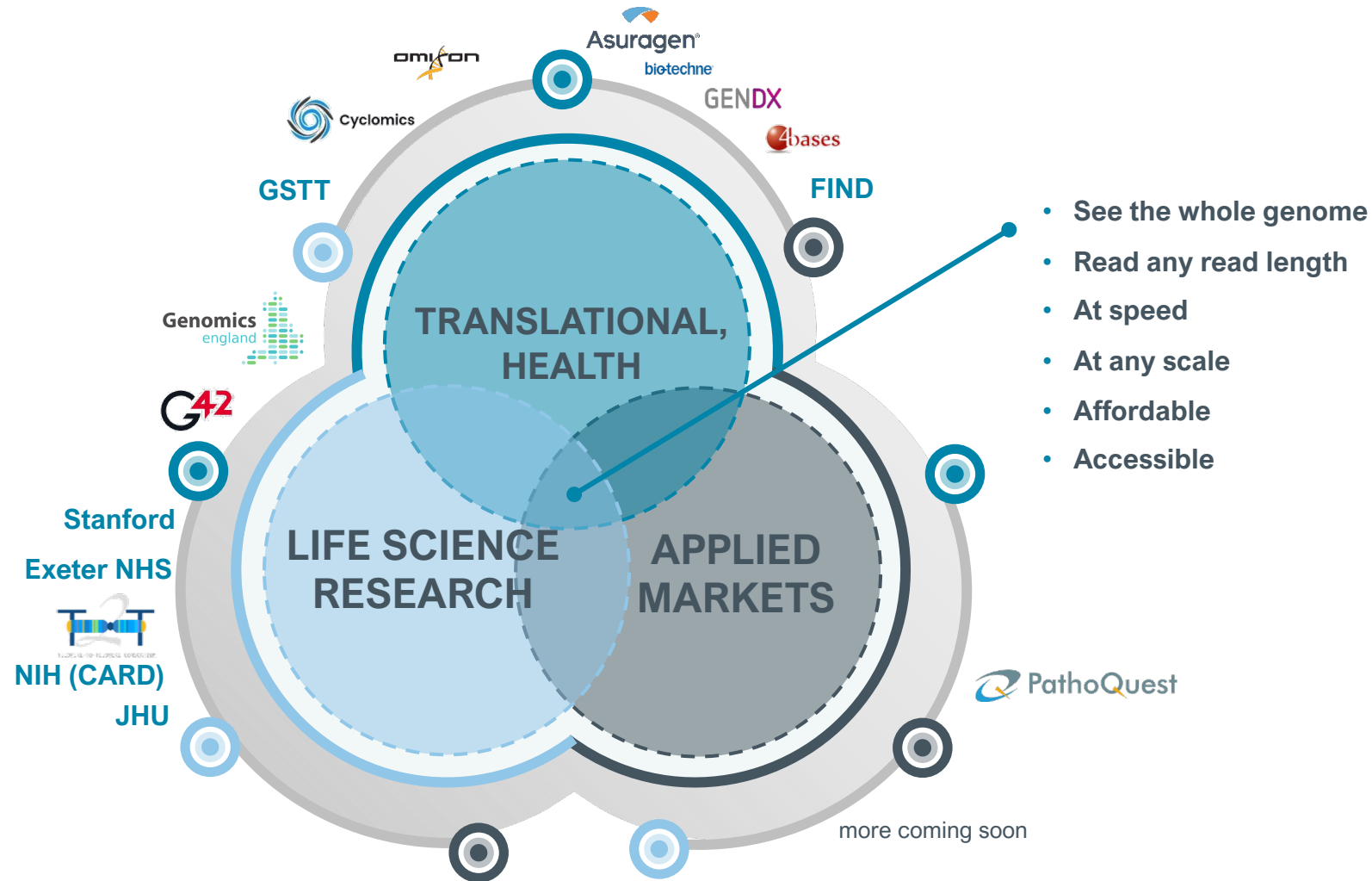
German initiative (lonGER) chooses nanopore sequencing to advance rare disease research



"We are very excited about analysing the genomes of patients with rare disease using nanopore sequencing and think that this can shape the future of research and diagnostics in this field."

Florian Kraft, Group Leader Long-Read Sequencing, Institute for Human Genetics and Genomic Medicine, Uniklinik RWTH Aachen

Executing on DNA/RNA sequencing collaborations



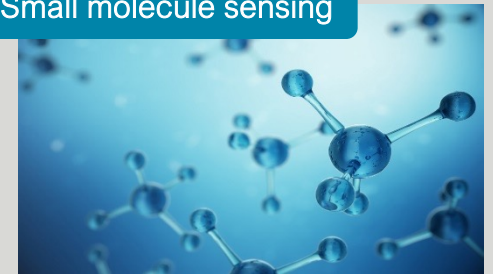
Protein sequencing



SmidgION



Small molecule sensing



Appendix

Customer highlights showcase platform capabilities

Cancer: Nanopore sequencing shows promise in monitoring cancer during treatment

A Stanford University team publishes a nanopore-based method for characterising cell-free DNA methylomes, highlighting the future potential of applying this method for longitudinal monitoring of cancer during treatment.

Human: Consortium publishes first T2T reference genome for a Han Chinese male

A Chinese consortium publishes the first T2T human reference genome for a Han Chinese male, using Oxford Nanopore's ultra-long reads, illustrating the highest quality T2T genomes are only possible with Oxford Nanopore.



Infectious disease: Patient outcomes improved in London hospital with respiratory metagenomics

Guy's and St Thomas' hospital publishes [evidence](#) of respiratory metagenomics workflow using Oxford Nanopore resulting in improved patient outcomes. Project scaleup continues.

Cancer: Single-cell nanopore RNA sequencing accelerates tumour analysis

A Northwestern University team develops a computational tool --scNanoGPS -- to accelerate RNA sequencing analysis of same-cell genotypes and phenotypes in tumours.

Underlying revenue reconciliation by customer group

Customer group	H1 2023 £m	H1 2022 £m	Growth (%)
S1	16.0	12.8	25%
Less COVID sequencing	(0.7)	(1.5)	
Underlying S1 revenue	15.3	11.3	36%
S2	32.5	24.2	34%
Less COVID sequencing	(1.9)	(5.2)	
Underlying S2 revenue	30.6	19.0	61%
S3	26.3	24.6	7%
Less COVID sequencing	(1.7)	(6.0)	
Less EGP	(4.9)	(5.8)	
Underlying S3 revenue	19.6	12.8	53%
Indirect	11.2	8.8	27%
Less COVID sequencing	(1.2)	(2.6)	
Underlying indirect revenue	10.0	6.2	61%

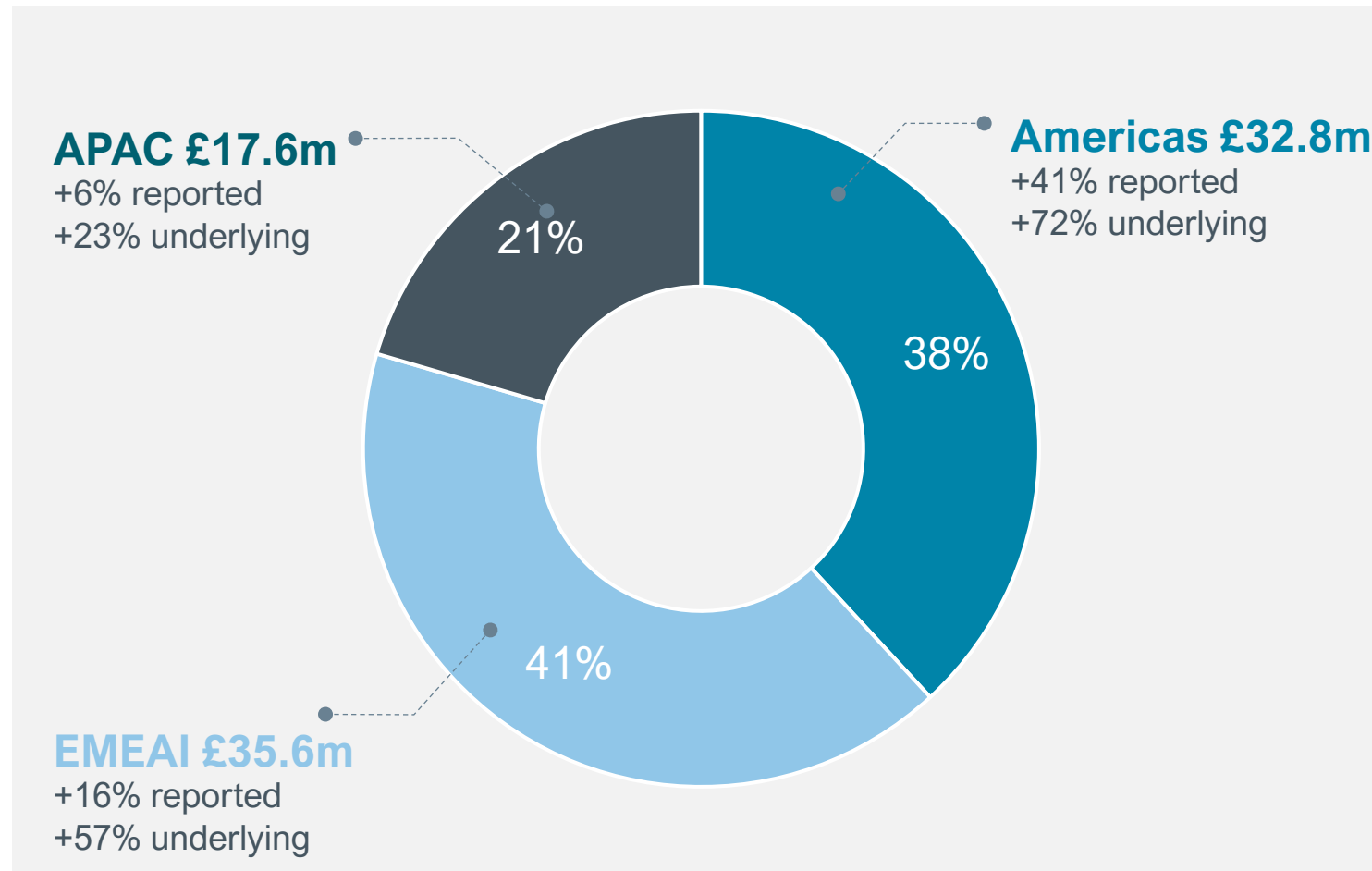
H1 2023 LSRT revenue driven by direct customer acquisition

	12 months to 30 June 2023	12 months to 31 Dec 2022	Change
S1 (<\$25k)			
Number of active customer accounts	6,157	5,786	+6%
Avg. revenue per customer account (\$000s)	5.5	5.7	(3)%
S2 (\$25k-\$250k)			
Number of customer accounts	1,098	968	+13%
Avg. revenue per customer account (\$000s)	66.3	66.8	(1)%
S3 (>\$250k)			
Number of active customer accounts	78	73	+7%
Avg. revenue per customer account (\$000s) ¹	573.0	581.0	(1)%
Indirect			
Number of distributors	15	12	+25%
Avg. revenue per distributor (\$000s)	1,907	2,293	(17)%

Underlying revenue reconciliation by region

Customer group	H1 2023 £m	H1 2022 £m	Growth (%)
Americas	32.8	23.3	41%
Less COVID sequencing	(2.0)	(5.5)	
Underlying Americas revenue	30.8	17.9	72%
APAC	17.6	16.6	6%
Less COVID sequencing	(1.1)	(3.2)	
Underlying APAC revenue	16.5	13.4	23%
EMEA	35.6	30.6	16%
Less COVID sequencing	(2.3)	(6.7)	
Less EGP	(4.9)	(5.8)	
Underlying EMEA revenue	28.4	18.1	57%

Balanced and global customer base



Summary income statement

	H1 23 £m	H1 22 £m
Revenue	86.0	122.3
Cost of Sales	(36.5)	(44.4)
Gross Profit	49.5	78.0
<i>Gross margin %</i>	57.6%	63.7%
Operating expenses		
Research and development expenses	(48.2)	(28.6)
Selling, general & administrative expenses	(76.1)	(72.3)
Loss from operations	(74.8)	(23.0)
Other	8.2	(4.6)
Loss before tax	(66.6)	(27.6)

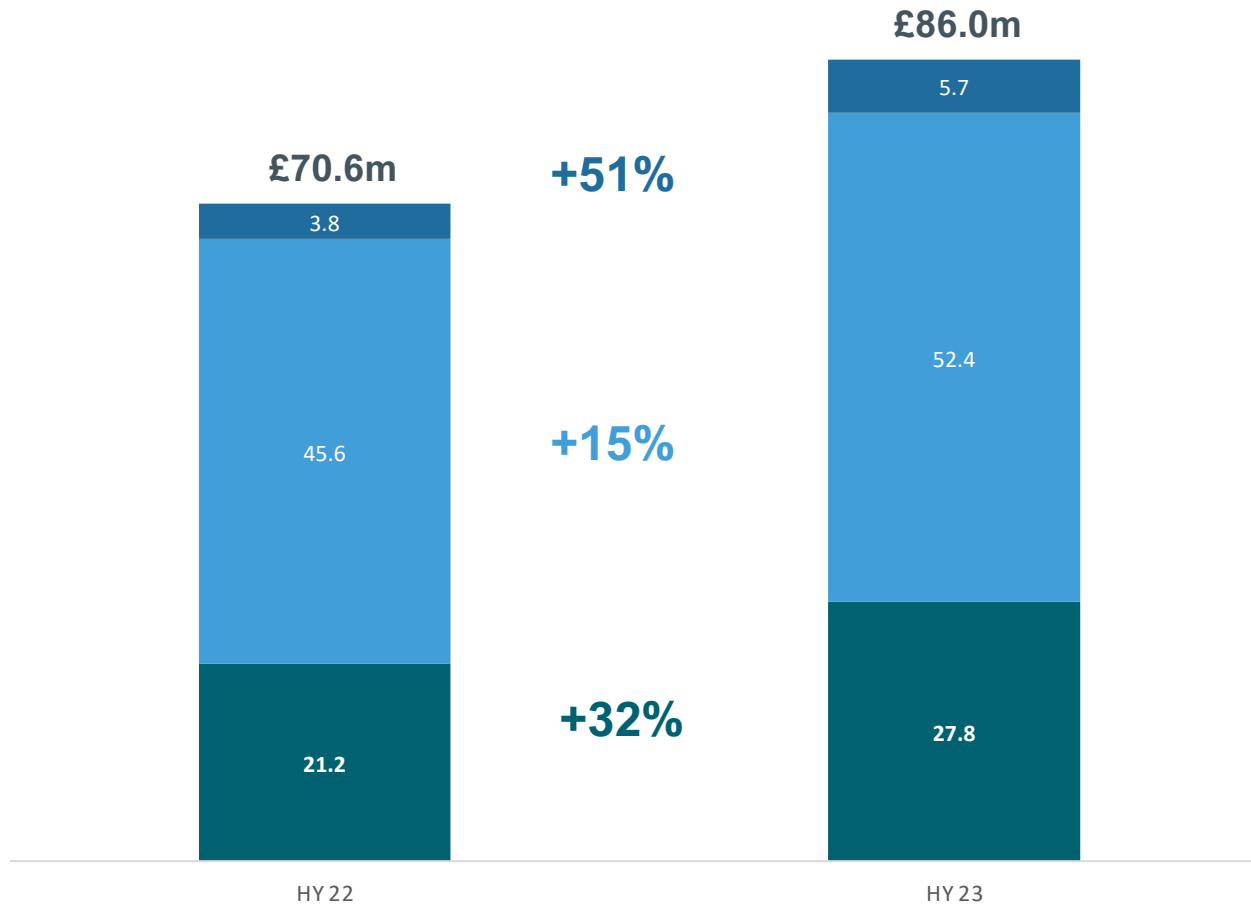
£49.0m¹ **+20%**
total adjusted R&D expenses

£61.9m¹ **+33%**
Adjusted S,G&A expenses

Continued investment in innovation and commercial infrastructure

	H1 23 £m	H1 22 £m
Research and Development expenses	48.2	28.6
<i>Adjusting Items:</i>		
Employer's social security taxes on pre-IPO share awards	0.6	9.4
Amortisation of Capitalised Development Costs	(8.7)	(6.1)
Adjusted Research and Development expenses	40.1	31.9
Capitalised development costs	8.9	9.0
Total R&D and capitalised development costs	49.0	40.9
Selling, general and administrative expenses	76.1	72.3
Share-based payment expense on Founder Long Term Incentive Plan (LTIP)	(14.9)	(35.4)
Employer's social security taxes on Founder LTIP and pre-IPO share awards	0.7	11.0
Expenses associated with the settlement of the Covid testing contract with DHSC	0.0	(1.4)
Adjusted Selling, general and administrative expenses	61.9	46.5

H1 23 LSRT revenue driven by consumables revenue



51% growth in 'service and other' revenue driven by service and license fees reflecting increased installed base

15% growth in consumables excluding decline in EGP consumables spend

Starter pack revenue growth of 32% driven by new customer acquisition including new P2 device