Adaptimmune Therapeutics plc

Company Number 09338148

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 December 2021

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DIRECTORS	Mr L M Alleva Dr A Behbahani Ms B Duncan Mr J Furey Mr D M Mott Mr J J Noble Dr C E Sigal Mr A G Rawcliffe Dr T Zaks
SECRETARY	Ms M Henry
COMPANY NUMBER	09338148
REGISTERED OFFICE	60 Jubilee Avenue Milton Park Abingdon Oxfordshire OX14 4RX
AUDITOR	KPMG LLP 2 Forbury Place 33 Forbury Road Reading RG1 3AD

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Adaptimmune Therapeutics plc was incorporated on 3 December 2014. The Directors submit this report and the Consolidated Financial Statements of Adaptimmune Therapeutics plc and its subsidiaries, including Adaptimmune Limited and Adaptimmune LLC (which may be referred to as "the Group", "we", "us" or "our") as of and for the years ended 31 December 2021 and 2020, as well as the financial statements for Adaptimmune Therapeutics plc ("the Company" or "the parent company") as of and for the years ended 31 December 2021 and 2020.

Adaptimmune Therapeutics plc is a public company limited by shares and incorporated and domiciled in England and Wales. Adaptimmune Limited is registered in England and Wales. Adaptimmune LLC is registered in the United States of America. A further subsidiary, Adaptimmune B.V. was established in the Netherlands in November 2020.

BASIS OF PRESENTATION

Our Directors have elected to prepare the group financial statements in accordance with applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS"). The parent company financial statements are drawn up in accordance with the Companies Act 2006 and Financial Reporting Standard 101 ("FRS 101").

PRINCIPAL ACTIVITIES

The principal activity of Adaptimmune Therapeutics plc is the research, development, manufacture and commercialisation of cell therapies to treat cancer.

We are a clinical-stage biopharmaceutical company focused on providing novel cell therapies to people with cancer. We are a leader in the development of T-cell therapies for solid tumours and have seen responses in six different solid tumour types in clinical trials. Our proprietary platform enables us to identify cancer targets, find and develop cell therapy candidates active against those targets and produce therapeutic candidates for administration to patients. Our cell therapy candidates include Specific Peptide Enhanced Affinity Receptor ("SPEAR") T-cells, which use genetically engineered T-cell receptors ("TCRs"); next generation Tumour Infiltrating Lymphocytes ("TILs") where a patient's own T-cells are co-administered with our next generation technology, and HLA-independent TCRs ("HiTs") where surface proteins are targeted independently of the peptide-HLA complex. Our cell therapies are currently manufactured on an autologous or per patient basis and we have a proprietary preclinical allogeneic platform for the development of "off the shelf" cell therapies. We have clinical trials ongoing with ADP-A2M4 and ADP-A2M4CD8, each targeting the MAGE-A4 antigen in multiple solid tumours

RESULTS AND DIVIDENDS

The result for the year is set out in the Consolidated Income Statement on page 74.

The Directors do not propose a dividend (2020: $nil).

CHARITABLE AND POLITICAL CONTRIBUTIONS

Charitable contributions of $2,000 were paid during the year (2020: $7,000).

No donations were made during the year to political organisations (2020: $nil).

FINANCIAL INSTRUMENTS

Please refer to the Financial Risk Management section included in our Strategic Report, beginning on page 10 of this document.

STRUCTURE OF THE GROUP'S CAPITAL

Please refer to note 18 to the financial statements.

DIRECTORS

The following Directors have held office since the dates indicated below.

Mr L M Alleva	(Appointed 5 March 2015 and last re-elected 14 May 2021)
Dr A Behbahani	(Appointed 12 February 2015 and last re-elected 2 May 2019)
Ms B Duncan	(Appointed 23 June 2016 and last re-elected 29 May 2020)
Mr J Furey	(Appointed 5 July 2018 and last re-elected 2 May 2019)
Mr D M Mott	(Appointed 12 February 2015 and last re-elected 14 May 2021)
Mr J J Noble	(Appointed 3 December 2014 and last re-elected 2 May 2019)
Mr A G Rawcliffe	(Appointed 1 September 2019 and last re-elected 29 May 2020)
Dr C E Sigal	(Appointed 12 February 2015 and last re-elected 14 May 2021)
Dr T Zaks	(Appointed 14 November 2016 and last re-elected 29 May 2020)

During the year ended 31 December 2021, there were four full meetings of the Board of Directors. All of our then Directors attended a minimum of 75% of the aggregate of the meetings of the Board of Directors and meetings of its committees of which he or she was a member.

One-third of the Directors are subject to retirement by rotation at each Annual General Meeting of shareholders.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

At the time the report is approved, there are no qualifying third party indemnity provisions in place for the benefit of one or more of the Directors.

EMPLOYEE ENGAGEMENT

The company is not required to report on employee engagement in the Directors' Report because it did not meet the threshold requirement of an average of more than 250 UK employees in the Group in two consecutive years (that is, both the year ended 31 December 2021 and the year ended 31 December 2020), as there were fewer than an average of 250 UK employees in the Group for the year ended 31 December 2020. However, the Group is committed to the continued development of employee engagement by an effective communications and consultative framework. Further information regarding employee engagement is included in the Section 172 (1) statement set out in our Strategic Report.

DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

BUSINESS RELATIONSHIPS

The Directors have had regard to the company's need to foster business relationships with suppliers, customers and others. Further information is provided in the Section 172 (1) statement set out in our Strategic Report.

ENVIRONMENTAL MATTERS

Please refer to the Environmental Matters section included in our Strategic Report and to the information provided in the Section 172 (1) statement set out in our Strategic Report.

GOING CONCERN

Our business activities, together with the factors likely to affect our future development, performance and position, are set out in our Strategic Report on page 22 and in the financial statements on page 81.

In determining whether our financial statements can be prepared on a going concern basis, our Directors considered the Group's business activities, together with the factors likely to affect our future development and performance. The review also included our financial position and cash flows.

As of the date of this report, our Directors have a reasonable expectation that we have adequate resources to continue in business for at least 12 months from the signing of these accounts. Accordingly, the financial statements have been prepared on the going concern basis.

AUDITOR

A resolution to reappoint KPMG LLP will be proposed at the forthcoming Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

All Directors in office at the time the report is approved confirm the following:

(i) so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(ii) each Director has taken all the steps that he or she ought to have taken in his or her duty as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors' Report was approved by the Board on 29 March 2022.

On behalf of the Board

Adrian Rawcliffe
Director

30 March 2022

INTRODUCTION

Adaptimmune Therapeutics plc ("the Company") was incorporated on 3 December 2014. Adaptimmune Therapeutics plc on behalf of itself and its subsidiaries, including Adaptimmune Limited and Adaptimmune LLC (which may be referred to as "the Group", "we", "us" or "our"), is required to produce a strategic report complying with the requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations").

OVERVIEW

We are a clinical-stage biopharmaceutical company focused on providing novel cell therapies to people with cancer. We are a leader in the development of T-cell therapies for solid tumours and have seen responses in multiple solid tumour indications.

Our proprietary platform enables us to identify cancer targets, find and develop cell therapy candidates active against those targets and produce therapeutic candidates for administration to patients. Our cell therapy candidates include Specific Peptide Enhanced Affinity Receptor ("SPEAR") T-cells, which use genetically engineered T-cell receptors ("TCRs"); next generation Tumour Infiltrating Lymphocytes ("TILs") where a patient's own T-cells are co-administered with our next generation technology, and HLA-independent TCRs ("HiTs") where surface proteins are targeted independently of the peptide-HLA complex. Our cell therapies are currently manufactured on an autologous or per patient basis and we have a proprietary preclinical allogeneic platform for the development of "off the shelf" cell therapies.

Our MAGE-A4 cell therapy franchise includes T-cell therapy products targeting solid tumour indications in which the MAGE-A4 antigen is expressed, with responses seen in eight indications (head and neck, esophagogastric junction ("EGJ"), non-small cell lung cancer (NSCLC)-squamous, synovial sarcoma, melanoma, bladder, ovarian and myxoid/round cell liposarcoma (MRCLS) indications) across the franchise. A Biologics License Application (BLA) for the lead product (afamitresgene autoleucel or "afami-cel") is targeted for filing with the U.S. Food and Drug Administration ("FDA") in Q4 2022 for synovial sarcoma. We have multiple clinical trials ongoing or planned across the remainder of the MAGE-A4 franchise:

- ***SPEARHEAD-1 Phase 2 Trial with afami-cel (ADP-A2M4)****:* A registration directed Phase 2 clinical trial is ongoing in synovial sarcoma in which the MAGE-A4 antigen is expressed. Enrollment in Cohort 1 is complete, and the cohort met its primary endpoint with an overall response rate (ORR) per independent review of 34%. Subject to the successful filing and approval of a BLA by the FDA we plan to commercially launch afami-cel in the United States ("U.S."). Cohort 2 of the trial is ongoing.

- ***SURPASS Phase 1 Trial with ADP-A2M4CD8***: Enrollment is ongoing in a Phase 1 trial for our next generation SPEAR T-cell, ADP-A2M4CD8, including for patients with lung, gastroesophageal, head and neck, ovarian and bladder cancers in which the MAGE-A4 antigen is expressed. An overall response rate of 36% was reported at the European Society for Medical Oncology ("ESMO") conference in 2021 with a complete response in a patient with ovarian cancer and partial responses reported in patients with ovarian, head and neck, esophagogastric junction, bladder and synovial sarcoma cancers.

- ***SURPASS -2 Phase 2 Trial with ADP-A2M4CD8***: A Phase 2 clinical trial with ADP-A2M4CD8 in esophageal and EGJ cancers has been initiated and is enrolling.

A further Phase 2 trial with ADP-A2M4CD8 in ovarian cancer ("SURPASS-3") is planned to start later in 2022 and an additional cohort to the SURPASS trial combining ADP-A2M4CD8 with a checkpoint inhibitor is also in planning.

We are also planning to initiate a Phase 1 trial with a new next-generation SPEAR T-cell targeting MAGE-A4 for the treatment of patients with advanced head and neck squamous cell carcinoma, non-small cell lung cancer, or ovarian cancer. Developed in collaboration with Noile-Immune Biotech Inc., ("Noile-Immune") this product (ADP-A2M4N7X19) incorporates IL-7 and CCL19 in the cell therapy product.

Outside of the MAGE-A4 franchise, we have an active preclinical pipeline of cell therapy candidates with the aim of delivering five new autologous cell therapies to the clinic by 2025. The pipeline includes new autologous SPEAR T-cells, SPEAR T-cells addressing alternative HLA-types, next-generation SPEAR T-cells, HiTs and next-generation TILs. These are being developed internally and in collaboration with third parties including Alpine Immune Sciences ("Alpine"), the National Center for Cancer Immune Therapy in Denmark ("CCIT") and Noile-Immune. A clinical trial application ("CTA") for TILs incorporating IL-7 has been filed in Denmark, with a clinical trial planned to start in 2022 at CCIT. These approaches enable us to further enhance and extend the reach of our cell therapies thus increasing the number of patients we can potentially treat.

We are also developing allogeneic or "off-the-shelf" cell therapies utilising a proprietary allogeneic platform. The platform utilises cells derived from Induced Pluripotent Stem Cells ("iPSCs"), which can be gene-edited to express our engineered TCRs or other constructs and then differentiated into the required end cell type, for example T-cells. The platform is applicable to all of our cell therapies and we plan to bring two allogeneic programs to the clinic by 2025, the first for allogeneic cell therapies targeting MAGE-A4.

We have strategic collaborations in place with Astellas and Genentech Inc. (the "Genentech Collaboration Agreement"). The Astellas collaboration program relates to up to three targets with the aim of co-developing T-cell therapy candidates directed to those targets and utilising our allogeneic platform for "off-the-shelf" cell therapies. The Genentech Collaboration covers the research and development of "off-the-shelf" therapies for us to five shared cancer targets and the development of a novel allogeneic personalised cell therapy platform.

We also have several development and research collaborations including our collaboration with GSK for the development, manufacture and commercialisation of TCR therapeutic candidates for up to five programs, a clinical and pre-clinical alliance agreement with MD Anderson Cancer Center and research collaborations with Alpine, Noile-Immune and CCIT.

We are an integrated cell therapy company with our own manufacturing facility in the U.S. and dedicated lentiviral vector manufacturing in the U.K. This enables us to continue improving the patient experience associated with our cell therapies including the ability to rapidly introduce improvements to the manufacturing process and patient supply chain.

OUR SPEAR T-CELL THERAPIES

The Immune System and T-cells

The immune system plays an important role in targeting and destroying cancer cells. Specifically, T-cells, which are a type of white blood cell, and their receptors create a natural system that is designed to scan the body for diseased cells. In general, cells process proteins internally and then convert these proteins into peptide fragments which are then presented on the cell surface by a protein complex called the Human Leukocyte Antigen ("HLA"). T-cells naturally scan all other cells in the body for the presence of abnormal peptide fragments, such as those generated from infectious agents. Recognition of this peptide-HLA complex takes place through the T-cell receptor or TCR expressed on the T-cells. However, binding of naturally occurring TCRs to cancer targets tends to be very poor because cancer proteins appear very similar to naturally occurring proteins on healthy cells.

Cancer Target Identification and Validation

Before developing any engineered T-cell therapy, it is important to identify and validate a suitable target cancer peptide or protein. The target must be expressed only on the cancer cells of interest and with expression in normal non-cancerous tissue only where a risk to the patient would be deemed acceptable. Careful validation and identification of targets is important to ensure that any engineered cell therapy is specific to the targeted cancer and does not bind to the same target on non-cancer cells, or that the receptor in the cell therapy does not recognize a similar peptide or protein derived in normal cells. Our target identification and validation platform is focused on three approaches. First, we identify and validate peptide-HLA targets for cancer testis antigens for the most prevalent HLA-type, for example, the HLA A2 peptide for the MAGE-A4 antigen. Second, we identify and validate similar peptides for non-cancer testis antigens which are closely

related to a specific disease indication, for example, the AFP antigen. Finally, we identify and validate surface HLA peptides for these existing intracellular targets in the context of different HLA types as well as other extracellular cell surface targets for HLA-independent TCRs or HiT constructs ensuring that we can address a broader patient population either across multiple HLA types across our existing therapeutic candidates or cell surface targets, such as mesothelin, without HLA restriction, respectively.

Cell Therapies

We have developed a range of cell therapies all of which utilise the interaction between a T-cell and its TCR's and a peptide or protein. Our cell therapies can be made directly from a patient's own T-cells ("autologous" cell therapies) or manufactured from stem cells ("allogeneic" cell therapies).

For all of our autologous cell therapies patient T-cells are extracted and are then engineered to generate the end cell therapy whether this is through engineering of the TCR itself or through the addition of another agent which enhances the efficacy of the TCR or T-cell. The nature of the engineering impacts the type of cell therapy product generated. The engineered T-cells are then expanded and infused back into the patient. When these T-cells encounter a recognized peptide or protein within the patient's body, they multiply and initiate the destruction of the targeted cancer cells.

For our allogeneic T-cell therapies, Induced Pluripotent Stem Cells ("iPSCs") are gene edited to express the engineered TCR or HiT and potentially a range of next gen modifications. As part of the gene editing the iPSCs are also edited to remove certain HLA-type expression so that patients expressing any HLA-type can be treated with the same end product. Those gene-edited iPSCs are then differentiated, using a number of directed process steps, into T-cells, which can then be used to treat patients expressing the tumour antigen to which the TCR or HiT is directed.

Our SPEAR T-cells

Following identification of a suitable target peptide, we identify TCRs that are capable of binding to that target peptide or protein. We then engineer and optimise those identified receptors to enhance their ability to recognize and bind to the cancer targets, thereby enabling a highly targeted immunotherapy which complements a patient's immune system. The optimised TCR for the cell therapy then undergoes extensive preclinical safety testing prior to administration to patients. A lentiviral vector is used to transfer the engineered TCR into the patient's T-cells if that patient has the relevant target and HLA type for our TCR cell therapy. The optimised cell therapy then undergoes extensive preclinical safety testing prior to administration to patients. Our SPEAR T-cell platform technology enables us to develop a pipeline of targets and TCR therapeutic candidates that we believe may be effective in a variety of cancer types that have progressed following treatment with currently available and experimental therapies. Within our MAGE-A4 franchise we have three SPEAR T-cells being developed, afami-cel (our first generation MAGE-A4 targeted SPEAR T-cell therapy), ADP-A2M4CD8 (a next-generation therapy incorporating a CD8α homodimer to increase potency) and ADP-A2M4N7X19 (a new next-generation cell therapy incorporating IL-7 and CCL19).

Our HiT Cell Therapies

Naturally occurring TCRs recognize peptides that are presented on the cell surface by a protein complex called HLA. Patient treatment with our SPEAR T-cells requires patients to express a particular HLA-type. We have now developed a TCR platform capable of producing TCRs able to recognize targets expressed on the surface of cancer cells independently of HLA-type. The TCR is engineered to recognize and bind to a cell surface protein. The HiT platform enables us to identify suitable targets and to then generate engineered HiTs which can bind and interact with those targets. These HLA-independent TCRs or HiTs use the same immune system processes as naturally occurring TCRs.

Our Next-Generation TIL Therapies

TIL therapy utilises TILs taken from a patient's tumour. A section of the tumour is excised, the TILs are isolated and then those TILs which bind to tumour antigens are cultured and then further engineered to co-express one of our next generation

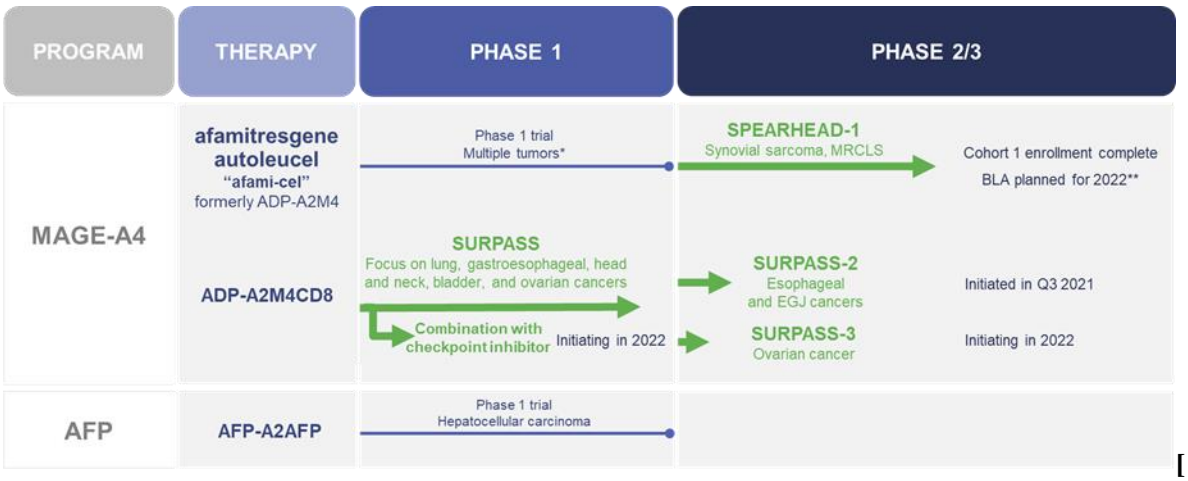
technologies with the aim of making them more effective at attacking cancer cells. The TILs are then infused back into the patient. The first next-generation TIL is being developed in collaboration with CCIT, in Denmark and will combine CCIT's TIL process with our next generation IL-7 technology to generate TIL-IL7 cell therapies.

PRODUCT PIPELINE

Our Clinical Product Pipeline

MAGE-A4 franchise

We have multiple cell therapies in clinical trials or entering clinical trials which target indications in which the MAGE-A4 antigen is expressed. The clinical trials ongoing are reflected in the clinical pipeline diagram below:



- ***SPEARHEAD-1 Phase 2 Trial with afami-cel:*** A registration directed Phase 2 clinical trial is underway in synovial sarcoma in which the MAGE-A4 antigen is expressed. Enrollment in Cohort 1 is complete, and the cohort met its primary endpoint. Subject to the successful filing and approval of a BLA by the FDA we plan to commercially launch afami-cel in the U.S. Cohort 2 of the trial is ongoing.

  Clinical data was presented at the Connective Tissue Oncology Society ("CTOS") in November 2021. An Overall Response Rate (ORR) per independent review of 34% (36% in patients with synovial sarcoma and 25% for patients with MRCLS) and disease control rate of 85% was reported. As of 1 September 2021, 50 patients had received afami-cel which appeared to be well-tolerated with a favorable benefit:risk profile. The durability of responses is encouraging.

  Orphan Drug designation for afami-cel for the treatment of soft tissue sarcomas has been granted in the European Union ("EU") and U.S. together with Regenerative Medicine Advanced Therapy ("RMAT") designation in the U.S. for the treatment of synovial sarcoma and access to the Priority Medicines ("PRIME") Regulatory Support initiative by the European Medicines Agency ("EMA") for the treatment of synovial sarcoma.

- ***SURPASS Phase 1 Trial with ADP-A2M4CD8***: Enrollment is ongoing in a Phase 1 trial for a next generation SPEAR T-cell, ADP-A2M4CD8 and patients are now being treated in the expansion phase of the trial. This next generation SPEAR T-cell utilises the same engineered T-cell receptor as afami-cel, but with the addition of a CD8α homodimer. The addition of the CD8α homodimer has been shown in vitro to increase cytokine release and SPEAR T-cell potency. Data from the trial was reported at ESMO in September 2021. As of 2 August 2021, responses (per RECIST 1.1) were seen in five solid tumour indications: a complete response

in ovarian cancer and partial responses in ovarian, head and neck, esophagogastric junction, bladder and synovial sarcoma cancers. Most patients treated experienced anti-tumour activity with a disease control rate of 86%. ADP-A2M4CD8 had an acceptable benefit:risk profile in the patients treated as of 2 August 2021. Initial translational data supports ADP-A2M4CD8 being more potent than afami-cel.

- ***SURPASS-2, Phase 2 Trial with ADP-A2M4CD8***: A Phase 2 clinical trial with ADP-A2M4CD8 in esophageal or esophagogastric cancers has been initiated and is enrolling.

SURPASS-3, a Phase 2 trial with ADP-A2M4CD8 in ovarian cancer is planned to start later in 2022 and combination trials are also in planning with ADP-A2M4CD8. We are also planning to initiate a Phase 1 trial with a new next-generation SPEAR T-cell therapy targeting MAGE-A4 which is being developed in collaboration with Noile-Immune and which incorporates IL-7 and CCL19 into the cell therapy product (ADP-A2M4N7X19).

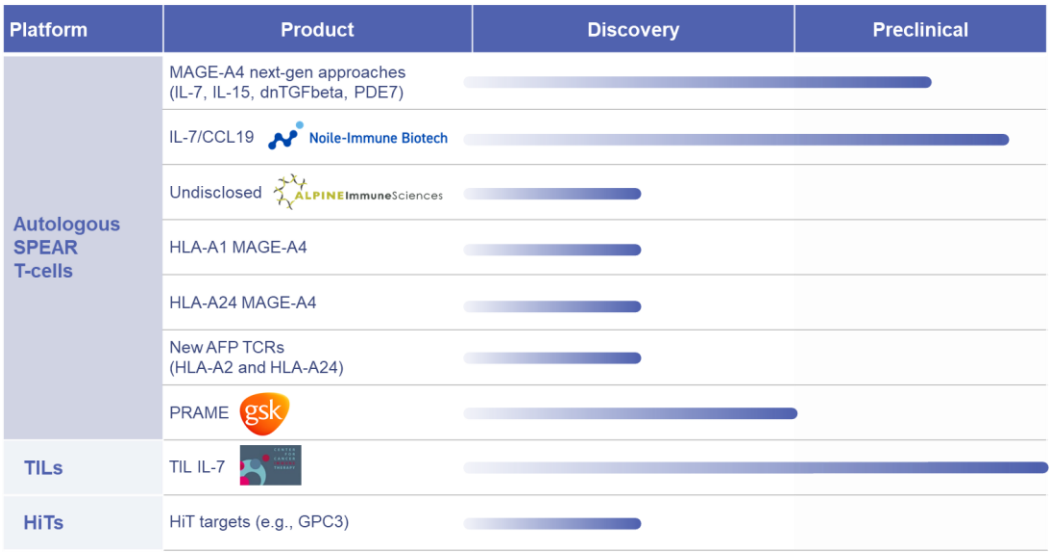
The Spearhead-2 trial investigating afami-cel in combination with a checkpoint inhibitor in head and neck cancer has been closed to enable focus on a combination between ADP-A2M4CD8 and a checkpoint inhibitor. Data from a radiation sub-study of the Phase 1 trial with afami-cel was also presented during 2021. This sub-study closed to enrollment in July 2021.

Other Clinical Programs

ADP-A2AFP Phase 1 Trial: Our Phase 1, open-label, dose-escalation trial designed to evaluate the safety and anti-tumour activity of ADP-A2AFP for the treatment of HCC closed to screening in 2021. We are, however, continuing to focus on the development of new cell therapies to target liver cancer. Data from the ADP-A2AFP trial was reported at the International Liver Congress in August 2021. As of 5 April 2021, thirteen patients with advanced HCC had received ADP-A2AFP in Cohort 3 and expansion phase of the trial. The best overall responses in Cohort 3 and expansion included one complete response, six stable disease and four progressive disease. The disease control rate for patients with at least one scan was 64% (7 out of 11 patients) and two patients had stable disease lasting beyond 16 weeks. ADP-A2AFP had an acceptable benefit:risk profile in the patients treated.

Autologous Preclinical Candidate Pipeline

We believe we have a strong pipeline of cell therapy candidates and we aim to deliver five products to the clinic by 2025. Our current pipeline is illustrated below:



Our aim is to utilise the insights we obtain from our clinical trials and translational sciences work to improve the efficacy of our existing products and approaches; and to increase the scope of our cell therapies and ability to treat an increasing

number of patients. For example, our next generation cell therapies including ADP-A2M4N7X19 (a next-generation SPEAR T-cell product targeting MAGE-A4) and the TIL-IL7 with CCIT are designed to improve efficacy. Whereas the cell therapies directed to alternative HLA types will increase the potentially treatable patients that can be addressed with our cell therapies.

Allogeneic iPSC Platform

We continue to develop our allogeneic platform which can be used to generate 'off-the-shelf" cell therapies that are universally applicable to all eligible patients by developing gene-edited iPSCs differentiated to T-cells by our in-house proprietary process. These "off-the-shelf" cells are being developed to overcome the current limitation of autologous therapies that need to be manufactured specifically for each patient. Additionally, our process starts with iPSCs instead of donor-derived T-cells, which potentially reduces product variability and the need for repeated infusions.

The enhanced T-cell technology being developed involves selective engineering for the removal of potentially immunogenic cell surface proteins (for example, HLA molecules) and the addition of our TCRs, without the use of nucleases, to develop these T-cell products. If successful, this will enable us to treat our patients with an off-the-shelf or on demand cell therapy product without the need to acquire a patient's own cells. Our first preclinical program is for the development of an allogeneic SPEAR T-cell product directed to the MAGE-A4 target using the same TCR that has been investigated in our current clinical trials.

We also have two collaboration programs, one with Astellas in which an allogeneic product incorporating a HiT targeting mesothelin is being developed (and a further target has been nominated); and one with Genentech, in which "off-the-shelf" cell therapies for up to five shared cancer targets ("off the shelf" products) and a novel allogeneic personalised cell therapy platform are being developed.

Integrated Cell Therapy Company

We are committed to building an integrated cell therapy company with a broad range of capabilities that enable the research and development of cell therapies, the translational analyses of clinical responses, control of the manufacturing and supply chain and commercialisation**.** The ability to take learnings from every stage of the process and feed these learnings back into further research and development enables decisions to be taken at the appropriate time and improvements and enhancements to processes and products to be made effectively and in a timely manner.

We have our own autologous cell therapy manufacturing facility at the Navy Yard in Philadelphia, Pennsylvania which is capable of supplying all of our autologous cell therapies currently in the clinic. The Navy Yard facility is increasing its manufacturing capacity to support anticipated commercial launch in the U.S. of afami-cel. We also have our own dedicated vector manufacturing capability in the U.K., within the Catapult Cell and Gene Therapy Manufacturing Centre in Stevenage, which is now able to produce lentiviral vector for our clinical trials using a suspension process developed by the Company. Additionally, in 2022 we plan to open a new manufacturing facility dedicated to allogeneic drug product manufacturing, and co-located with our research facility in Milton Park in the U.K.

Control of our own end-to-end manufacturing processes (including vector, T-cell and analytical quality control testing) enables us to improve and further develop these processes for manufacture of our cell therapies. The ability to manufacture in-house provides security of supply at a lower cost than using a third-party provider. In addition, the ability to continually evaluate and optimise processes enables ongoing reduction in the times taken to treat our patients and the overall cost of goods applicable to manufacture and supply of our cell therapies.

COLLABORATIONS AND STRATEGIC ALLIANCES

Genentech Strategic Collaboration and License Agreement

On 3 September 2021, Adaptimmune Limited, a wholly owned subsidiary of Adaptimmune Therapeutics Plc, entered into a Strategic Collaboration and License Agreement with Genentech, Inc. and F. Hoffman-La Roche Ltd (the "Agreement").

The collaboration has two components:

1) Development of allogeneic T-cell therapies for up to five shared cancer targets
2) Development of personalised allogeneic T-cell therapies utilizing αβ T-cell receptors (TCRs) isolated from a patient, with such therapies being administered to the same patient.

The parties will collaborate to perform a research program, initially during an eight-year period (which may be extended for up to two additional two-year terms at Genentech's election upon payment of an extension fee for each two-year term), to develop the cell therapies, following which Genentech will determine whether to further develop and commercialise such therapies. Under the Agreement, Adaptimmune exclusively licenses to Genentech certain intellectual property rights it controls to enable Genentech to research, develop, manufacture and commercialise (i) off-the-shelf T-cell therapies directed to the collaboration targets and (ii) personalised T-cell therapies developed within the scope of the Agreement, and Genentech is solely responsible for the clinical development and commercialization of any cell therapies arising from the collaboration. Adaptimmune will manufacture and supply cell therapies for Phase 1 trials of off-the-shelf T-cell therapies unless Genentech decides to assume responsibility for such manufacturing.

Under the Agreement, Adaptimmune is also subject to certain restrictions on its ability to further develop and commercialise certain cell therapies. In particular, restrictions apply in relation to its ability to develop cell therapy products to nominated targets and to develop competing personalised cell therapies. This restriction does not prevent Adaptimmune from developing cell therapies to other targets or cell therapies containing different types of receptors.

Under the terms of the Agreement, Adaptimmune received a $150 million upfront payment. Adaptimmune may also receive:

- $150 million in additional payments spread over a period of five years from the effective date of the Agreement, unless the Agreement is earlier terminated;
- Research milestones of up to $50 million;
- Development milestones of up to $100 million in relation to the development of off-the-shelf T-cell therapies per collaboration target (unless Adaptimmune exercises its right to opt-in to receive a profit share) and up to $200 million in relation to the development of personalised T-cell therapies;
- Commercialisation milestones of up to $1.1 billion for off-the-shelf T-cell therapies (unless Adaptimmune exercises its right to opt-in to receive a profit share and assuming off-the-shelf T-cell therapies are developed to 5 targets) and for personalised T-cell therapies; and
- Net sales milestones of up to $1.5 billion for off-the-shelf T-cell therapies (unless Adaptimmune exercises its right to opt-in to receive a profit share and assuming off-the-shelf T-cell therapies are developed to five targets) and for personalised T-cell therapies

In addition, Adaptimmune will receive tiered royalties on net sales in the mid-single to low-double digits.

Adaptimmune also has a right to opt-in to receive a profit share and to co-promote off-the-shelf T-cell therapies. If Adaptimmune elects to opt in, then Adaptimmune will be eligible to share 50 percent of profits and losses from U.S. sales on such products and to receive up to $800 million in ex-U.S. regulatory and sales-based milestone payments, as well as royalties on ex-U.S. net sales.

The parties can terminate the Agreement in the event of material breach or insolvency of the other party. Genentech is entitled to terminate the Agreement in its entirety, on a product-by-product basis or collaboration target by collaboration target basis on provision of 180 days notice.

Universal Cells Co-development Collaboration Agreement

On 13 January 2020, the Company entered into a Co-development and Co-commercialization agreement (the "Astellas Collaboration Agreement") with Universal Cells, Inc., a wholly-owned subsidiary of Astellas Pharma Inc. ("Universal Cells").

Under the Astellas Collaboration Agreement the parties will agree on up to three targets and will co-develop T-cell therapies directed to those targets pursuant to an agreed research plan. For each target, Universal Cells will fund co-development up until completion of a Phase 1 trial for products directed to such target. Upon completion of the Phase 1 trial for a product, Universal Cells and Adaptimmune will elect whether to progress with co-development and co-commercialization of such product, or to allow the other party to pursue the candidate independently. The first target program aims to develop an allogeneic ("off-the-shelf") mesothelin directed HiT cell therapy.

In addition, Universal Cells is also granted the right to develop, independently of Adaptimmune, allogeneic T-cell therapy candidates directed to two targets selected by Universal Cells. Universal Cells will have sole rights to develop and commercialise products directed against such products.

Under the terms of the agreement, Adaptimmune may receive up to $897.5 million in payments, including:

- An upfront payment of $50 million, which was received in January 2020;
- Development milestones of up to $73.75 million for each co-developed and co-commercialised product; and
- Development milestones of up to $147.5 million per product and up to $110 million in sales milestones for products developed unilaterally by Universal Cells.

In addition, Adaptimmune will receive research funding of up to $7.5 million per year and tiered royalties on net sales in the mid-single to mid-teen digits.

Under the terms of the Astellas Collaboration Agreement and in consideration for rights under certain contributed Universal Cells technology for a product unilaterally developed by Adaptimmune, Universal Cells may receive up to $552.5 million, including up to $147.5 million in milestone payments per product and up to $110 million in sales milestones for products developed unilaterally by Adaptimmune. In addition, Universal Cells will receive tiered royalties on net sales in the mid-single to mid-teen digits.

To the extent that Universal Cells and Adaptimmune co-develop and co-commercialise any product, the parties will share equally all worldwide costs and profits.

In addition to the Astellas Collaboration Agreement, the parties have also entered into an agreement relating to the use of Universal Cells gene editing and HLA-editing technology in the context of the development of our own allogeneic T-cell therapies. Adaptimmune retains exclusive rights in the T-cell field under the agreement.

Development and Research Collaborations

GSK Collaboration and License Agreement

We entered into the GSK Collaboration and License Agreement regarding the development, manufacture and commercialization of TCR therapeutic candidates in May 2014. The collaboration is for up to five programs. The first program was the NY-ESO SPEAR T-cell program, in relation to which GSK has now exercised its option to take an exclusive license. The second program related to development of a SPEAR T-cell to a peptide derived from the PRAME antigen. This program has now completed. The third target program with GSK remains ongoing and is also directed to the PRAME target. We are responsible for taking the third target program through preclinical testing and up to IND application filing. GSK is responsible for the IND filing itself should the preclinical testing and development be favorable.

Preclinical and Clinical Collaborations

We have third party collaborations in place with Noile-Immune, Alpine Immune Sciences and with the CCIT.

- With Alpine, we are collaborating to develop next-generation SPEAR T-cell products that incorporate Alpine's secreted and transmembrane immunomodulatory protein technology. The collaboration agreement was announced in May 2019, and we believe that the Alpine technology could complement our existing internal next

generation technology and enhance anti-tumour potential through engagement of further rapid and flexible immunomodulatory mechanisms.

- In the Noile-Immune collaboration, announced in August 2019, we will co-develop next-generation SPEAR T-cell products, incorporating Noile-Immune's PRIME (proliferation inducing and migration enhancing) technology, based upon co-expression of IL-7 and CCL19.

- With CCIT, we are combining CCIT's existing TIL therapies with our next generation IL-7 construct with the aim of creating enhanced TIL cell therapies. TIL therapy has previously seen efficacy in certain solid tumours including melanoma and the aim is to build on that efficacy.

We also have a strategic alliance agreement with the MD Anderson Cancer Center which covers both the conduct of certain clinical trials for our SPEAR T-cell therapies and also certain pre-clinical research work.

BUSINESS STRATEGY

Building on our leadership position with engineered T-cell therapies in solid tumour indications, our strategic objective is to be a world leader in designing and delivering cell therapies that transform the lives of people with cancer. To achieve our objectives, our core value drivers are as follows:

Progressing two cell therapies toward commercialisation. We are planning to file a BLA with the FDA during Q4 2022 for afami-cel. Data from Cohort 1 of the SPEARHEAD-1 trial met its primary endpoint. Afami-cel continues to show a favorable benefit:risk profile across the patients treated. BLA preparations are underway with pediatric plans agreed with regulatory agencies and multiple BLA-directed activities including vector and T-cell therapy manufacturing process characterisation progressing. Further Phase 2 trials are underway (SURPASS-2 in esophageal and esophagogastric junction cancers) or anticipated to start later in 2022 (SURPASS-3 in ovarian cancer). Depending on the clinical data obtained from those trials we plan to file a BLA following conclusion of those trials.

Progressing two cell therapies into later clinical phase. Subject to the data from ongoing clinical trials, we plan to rapidly progress clinical candidates through clinical trials and towards BLA filing. For example, our ADP-A2M4CD8 therapy is in a Phase 1 clinical trial (SURPASS) focusing on MAGE-A4 positive patients including in lung, head and neck, bladder, ovarian and gastroesophageal indications. A first Phase 2 trial has already been started in patients with esophageal and esophagogastric junction indications based on initial data from the Phase 1 SURPASS trial and a second Phase 2 trial is due to be initiated later in 2022 in ovarian cancer patients. Depending on the data obtained additional indications may be identified for ADP-A2M4CD8 to be progressed into later phase trials and ultimately to a BLA filing.

Progress five new autologous cell therapies into the clinic within five years. We continue to progress our pipeline of cell therapy candidates including HiT cell therapy candidates, new SPEAR T-cells and next-generation TILs. We aim to progress these candidates through our preclinical pipeline quickly and start Phase 1 clinical trials once preclinical work is complete. For example, a next-generation TIL trial in collaboration with CCIT is in the process of being initiated with a CTA filed in 2021 in Denmark and a Phase 1 clinical trial with ADP-A2M4N7X19, a new next-generation product incorporating IL-7 and CCL19 is planned to be initiated later in 2022.

Continuing to develop "off-the-shelf" cell immunotherapies and progress two cell therapies to the clinic within five years. We continue to develop our "off-the-shelf" (allogeneic) platform, which is broadly applicable to cell therapies, both internally and in collaboration with our partners Astellas and Genentech. The first allogeneic product includes a SPEAR T-cell targeting MAGE-A4 and a second allogeneic product includes a HiT targeting mesothelin (partnered with Astellas).

Continuing to improve our manufacturing and patient supply processes to optimise how we deliver our cell therapies to patients. Our integrated cell therapy capabilities enable us to continually enhance our cell and vector manufacturing and supply processes which we believe will ultimately enable us to treat patients quicker, at a lower cost and more effectively. We are planning to open a new manufacturing facility dedicated to allogeneic cell therapy manufacturing in 2022. This

facility is co-located with our research facility in the U.K. Additionally we are expanding the manufacturing capacity in our existing autologous manufacturing facility in Philadelphia, Pennsylvania.

Expanding our intellectual property portfolio. We continue to build and develop our technology platform, comprising intellectual property, proprietary methods and know-how in the field of cell therapies. These assets form the foundation of our ability to strengthen our product pipeline and defend and expand our position as a leader in cell therapy.

DEVELOPMENT AND PERFORMANCE DURING THE PERIOD

Revenue

Revenue increased by $2.2 million to $6.1 million for the year ended 31 December 2021 from $4.0 million for the year ended 31 December 2020 due to an increase in development activities under our collaboration agreements.

We expect that revenues will increase in future periods as the Group initiates development activities under the new Genentech Collaboration agreement and continues activities under the GSK and Astellas Collaboration Agreements.

Research and Development Expenses

Research and development expenses increased by $29.4 million to $139.8 million for the year ended 31 December 2021 from $110.4 million for the year ended 31 December 2020.

The net increase in our research and development expenses of $29.4 million for the year ended 31 December 2021 compared to the year ended 31 December 2020 was primarily due to the following:

- an increase of $15.4 million in salaries, materials, equipment, depreciation of property, plant and equipment and other employee-related costs, primarily due to an increase in employee compensation and contractor costs in the year ended 31 December 2021;

- an increase of $12.7 million in subcontracted expenditures, including clinical trial expenses, contract research organization (CRO) costs and contract manufacturing expenses, largely driven by an increase in clinical trial patient costs which was offset slightly by a decrease in external contract manufacturing costs

- a credit of $3.3 million relating to the reversal of an impairment provision on the stock of Dynabeads® CD3/CD28 technology. Actual use in 2021 and projected use in future years has led to the removal of this uncertainty and the provision on the remaining items has been reversed in the year ended 31 December 2021; and

- an increase of $2.9 million in share-based compensation expense due to additional stock grants and lower increase in forfeitures compared to the number of options.

Our subcontracted costs for the year ended 31 December 2021 were $46.5 million, compared to $33.7 million in the same period of 2020. This includes $34.2 million directly associated with our afami-cel, ADP-A2M4CD8 and ADP-A2AFP SPEAR T-cells and $12.3 million of other costs.

Our research and development expenses are highly dependent on the phases and progression of our research projects and future clinical trial results and therefore fluctuate from period to period. We expect that our research and development expenses will increase in future periods as we continue to invest in our research and development capabilities and as we progress towards regulatory approval of our first SPEAR T cell product.

Administrative Expenses

Administrative expenses increased by $7.4 million to $54.7 million for the year ended 31 December 2021 from $47.3 million in the same period in 2020, primarily due to the following:

- an increase of $3.6 million in salaries, depreciation of property, plant and equipment and other employee-related costs due to an increase in headcount and contractor costs;
- an increase of $5.1 million in share-based compensation expense due to additional stock grants and lower forfeitures compared to the number of options issued, caused in part by the high forfeitures incurred in 2020 due to the previous CEO retiring as CEO;
- an increase of $3.3 million in other corporate costs due to an increase in insurance and accounting, legal and professional fees, including legal fees relating to the Genentech agreement; and
- a decrease due to a $4.4 million in realized exchange gains.

We expect that our general and administrative expenses will increase in the future as we expand our operations and move towards commercial launch.

Other Income

Other income relates to reimbursements of certain equity issue costs and reimbursement through the U.K. Research and Development Expenditure Credit. Other income increased by $0.9 million to $2.3 million for the year ended 31 December 2021 from $1.4 million in the year ended 31 December 2020.

Finance Income

Finance income decreased by $2.6 million to $1.1 million in the year ended 31 December 2021 compared to $3.7 million in the year ended 31 December 2020. Finance income comprises interest income and net unrealized foreign exchange gains.

Finance Expense

Finance expense increased by $0.5 million to $2.2 million in the year ended 31 December 2021 from $1.7 million in the year ended 31 December 2020. Finance expense comprises net unrealized foreign exchange losses and interest costs on lease liabilities.

Taxation

Taxation primarily relates to tax credits received under the U.K. Research and Development Scheme for small and medium sized entities (the "SME R&D Tax Credit") offset by income taxes arising in the U.S. tax jurisdiction. The taxation credit increased by $14.0 million to $33.1 million for the year ended 31 December 2021 from $19.1 million for the year ended 31 December 2020.

POSITION OF GROUP AT YEAR END

Liquidity and Capital Resources

Since our inception, we have incurred significant net losses and negative cash flows from operations. We financed our operations primarily through sales of equity securities, cash receipts under our Astellas Collaboration and Genentech and

GSK Collaboration and License Agreements, government grants and research and development tax and expenditure credits. From inception through to 31 December 2021, we have raised:

- $857.2 million of proceeds from issues of equity, net of issue costs;
- $359.7 million through collaborative arrangements with Genentech, GSK and Astellas; and
- $82.1 million in the form of U.K. research and development tax credits and receipts from the U.K. RDEC Scheme.

We use a non-GAAP measure, Total Liquidity, which is defined as the total of cash and cash equivalents, and marketable securities, to evaluate the funds available to us in the near-term. A description of Total Liquidity and reconciliation to cash and cash equivalents, the most directly comparable IFRS measure, are provided below under "Non-GAAP measures".

As of 31 December 2021, we had cash and cash equivalents of $150.0 million and Total Liquidity of $369.6 million. We believe that our Total Liquidity will be sufficient to fund our operations, based upon our currently anticipated research and development activities and planned capital spending, into early 2024.

During the year ended 31 December 2021, the Group incurred a net loss of $154.0 million, provided cash of $13.7 million in its operating activities, and generated revenues of $6.1 million. The Group has incurred net losses in most periods since inception, and it expects to incur operating losses in future periods.

Management considers that there are no reasonable conditions or events, in the aggregate, that cast significant doubt about the Group's ability to continue as a going concern for a period of at least one year from the date the financial statements are issued.

SUMMARY OF CASH FLOWS

Operating Activities

Net cash provided by operating activities increased by $65.1 million to $13.7 million for the year ended 31 December 2021 from net cash used in operating activities of $51.4 million for the year ended 31 December 2020. The net cash provided by operating activities in the year ended 31 December 2021 was significantly increased by a $4.2 million milestone payment received under the GSK Collaboration and License Agreement and the upfront payment of $150 million received under the Genentech Collaboration and License Agreement in October 2021.The U.K. R&D tax credits received in the year ended December 31, 2021 was $4.2m higher than that received during the year ended December 31, 2020.

Net cash used provided by operating activities of $13.7 million for the year ended 31 December 2021 comprised a net loss before tax of $187.1 million and lease interest element of lease payments of $1.7 million, offset by $143.0 million of favourable changes in operating assets and liabilities, noncash items of $28.6 million, net taxes received of $23.1 million, and interest received of $7.8 million. The noncash items consisted primarily of depreciation expense on plant and equipment of $5.6 million, amortisation of intangibles of $0.9 million, share-based compensation expense of $19.9 million, net finance income of $1.1 million and other of $1.0 million.

Investing Activities

Net cash from investing activities was a cash inflow of $78.2 million and cash outflow of $278.9 million for the years ended 31 December 2021 and 2020, respectively. The Group invests surplus cash and cash equivalents in marketable securities. Cash provided by investing activities increased in the year ended December 31, 2021. Maturity or redemption of marketable securities of $224.3 million was offset by investment in marketable securities of $139.8 million in the year ended December 31, 2021.

Net cash from investing activities in the year ended 31 December 2020 included purchases of property and equipment of $2.3 million, acquisition of intangibles of $0.6 million, investment in financial assets at fair value through other comprehensive income of $381.0 million, offset by cash inflows from maturity or redemption of financial assets at fair value through other comprehensive income of $105.0 million.

Financing Activities

Net cash from financing activities was an inflow of $0.8 million and $338.0 million for the years ended 31 December 2021 and 2020, respectively.

Net cash from financing activities for the year ended 31 December 2021 consisted of principal payments of lease liabilities of $2.5 million, offset by net proceeds from public offerings of $2.5 million and proceeds from exercise of share options of $0.8 million

Net cash used in financing activities for the year ended 31 December 2020 consisted of principal payments of lease liabilities $2.1 million, offset by net proceeds from public offerings of $334.4 million and proceeds from exercise of share options of $5.7 million.

KEY PERFORMANCE INDICATORS

Total Liquidity (a non-GAAP financial measure) is the total of cash and cash equivalents and marketable securities. Each of these components appears in the consolidated balance sheet. The IFRS financial measure most directly comparable to Total Liquidity is cash and cash equivalents as reported in the consolidated financial statements, which reconciles to Total Liquidity as follows (in thousands):

As of 31 December	2021	2020
Cash and cash equivalents	$ 149,948	$ 56,882
Marketable securities	219,632	311,335
Total Liquidity	**$ 369,580**	**$ 368,217**

We believe that the presentation of Total Liquidity provides useful information to investors because management reviews Total Liquidity as part of its management of overall liquidity, financial flexibility, capital structure and leverage. The definition of Total Liquidity includes marketable securities, which are highly-liquid and available to use in our current operations.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial

We are a clinical-stage biopharmaceutical company with no products approved for commercial sale. We have not generated any revenue from any product sales or royalties. We have a history of losses and anticipate that we will incur continued losses for at least the next few years. We cannot be certain that we will achieve or sustain profitability and it is very difficult to predict any future financial performance. Our resources will continue to be devoted substantially to research and development for the foreseeable future and our ability to generate any revenue from any of our current therapeutic candidates cannot be guaranteed. We cannot be certain that additional funding will be available on acceptable terms, or at all. There is a risk that should we fail to obtain this additional funding we may have to significantly delay, scale back or discontinue the development or commercialization of our SPEAR T-cells, cell therapies or other research and development initiatives. Our license and supply agreements may also be terminated if we are unable to meet the payment obligations under these agreements. We could be required to seek collaborators for our SPEAR T-cells or other cell therapies at an earlier stage than otherwise would be desirable or on terms that are less favorable to us than might otherwise be available or relinquish or license on unfavourable terms our rights to our cell therapies in markets where we otherwise would seek

to pursue development or commercialization ourselves. Our current cash projections include reliance on our ability to obtain certain tax credits and our ability to obtain or continue to obtain such tax credits cannot be guaranteed.

Dependence on Clinical Candidates

Our business is dependent on a small number of clinical candidates. There is no certainty that the results obtained in clinical trials of our existing clinical candidates will be sufficient to enable progression of those candidates through our clinical programmes or the obtaining of regulatory approval or marketing authorisation. The results are initial patient results and there is no certainty that other patients will respond or that responses will continue. There can also be no guarantee that clinical candidates will progress through clinical programmes within anticipated timescales or that we will be able to recruit sufficient clinical trial subjects at all or within anticipated timescales. There is significant competition from third party trials in relation to the recruitment of patients. The outcome of clinical trials is inherently uncertain. Negative results seen in clinical programmes with one clinical candidate may impact on our other clinical programmes or prevent other clinical programmes from starting. T-cell therapy is a novel approach for cancer treatment which is not completely understood and the impact of such therapy cannot be predicted. Our clinical candidates may cause adverse events or fatalities which result in the suspension or halting of clinical programmes.

Research Programmes

We have a number of pre-clinical and other candidates (including next generation candidates) under development. Development of further candidates and pre-clinical assessment of those candidates takes a substantial amount of time, effort and money and we may encounter significant delays in taking further candidates into clinical programmes or in finding suitable further candidates to further develop.

COVID-19

The coronavirus, SARS-CoV-2 ("COVID-19") pandemic (including variants) has impacted our business and may continue to impact our ability to manufacture and delivery cell therapies to patients. Although our manufacturing and research facilities remain operational, any positive COVID-19 cases within our workforce at any of our facilities may result in a delay to our ability to manufacture or to progress our research and development objectives. Many clinical sites are prioritising resources to treat COVID-19 patients, and this is resulting in delays in our ability to recruit and treat patients on our clinical trials. Inability to perform clinical trials in accordance with regulatory requirements may impact a later ability to obtain regulatory approval in relation to our cell therapies or may delay our ability to obtain such regulatory approval. We also anticipate supply shortages for certain raw materials and components we require for manufacture, research and development activities as a result of those raw materials and components being prioritized for COVID-19 vaccine manufacture. The COVID-19 pandemic continues to evolve and the extent to which it may impact our future business is highly uncertain and difficult to predict. The impact on global health systems, the life sciences industry more generally or the economy as a whole is not yet known. Depending on the length and progression of such pandemic, we may experience disruptions that would significantly impact our business.

Manufacturing

Manufacturing and administration of our cell therapies is complex and highly regulated. As a result, we may encounter difficulties or delays in manufacture of cell therapies, testing and release of our cell therapies during or following manufacture, scaling up or further development of any part of our manufacturing process or any associated development activities. Given the complexity of the manufacturing processes, there is a risk that we will not be able to manufacture our cell therapies reliably or at acceptable costs or on required timescales. Any delays in our manufacture of cell therapies (whether at our own manufacturing facility or at a third party supplier's facility) can adversely affect a patient's outcomes and result in delays to our clinical trials. Delays or failures in our manufacturing process can result for a number of different reasons including failure in the process itself, lack of reliability in the process, inaccuracy or failure to produce test results or poor test results, product loss caused by logistical issues, inability to obtain manufacturing slots from our third party contract manufacturers, inability to procure starting materials, close-down of manufacturing facility (whether our own or a third party facility), contamination of starting materials, a requirement to modify or further develop the manufacturing

process and supply chain failures or delays. There are additional risks associated with developing a commercially viable process including scaling of our manufacturing process to the levels required and sourcing of materials. Any delay or failure to develop a commercially viable process may delay our ability to commercialise those cell therapies.

The manufacture of our existing cell therapies is heavily reliant on third parties who are outside of our control. A delay or problem with any of our third party contract manufacturers or third party suppliers can result in delays to the overall manufacturing process, an inability to supply our therapeutics to clinical trial sites when required, and increased cost being incurred in the manufacture and supply of our cell therapies.

Our manufacturing process needs to comply with regulatory requirements in the United States, Canada, UK and certain countries in the European Union. Any failure to comply with the relevant regulatory requirements could result in delays in or termination of our clinical programmes or suspension or withdrawal of regulatory approvals for our cell therapies or manufacturing process (whether at our own facility or at the facility of any of our third party contract manufacturers).

We are planning to open a new manufacturing facility for allogeneic cell therapies during 2022 and our ability to manufacture allogeneic cell therapies on current timelines is dependent on the opening of the new facility and our ability to obtain regulatory approval for the facility and to recruit the employees required for manufacture.

Commercialisation

Our ability to commercialise any cell therapies is dependent on the progression of clinical candidates through regulatory approval processes and on the results seen in clinical trials. Clinical trials are expensive, time-consuming and difficult to implement and there is no guarantee that the results seen in any clinical trials will be sufficient to progress to the next stage of any clinical approval or ultimately to the obtaining of a marketing approval for any of our cell therapies. In addition regulatory authorities may require additional or confirmatory clinical studies as a requirement for approving any cell therapy which will increase the costs associated with bringing any product to the market.

The market opportunities for our cell therapies may be limited in terms of geographic scope or type of patients which can be treated. Our estimates of the potential patient population which can be treated may be inaccurate affecting the amount of revenue obtainable for any product. Likewise, the amount of revenue that can be obtained in relation to any cell therapies may be impacted by the nature of pricing reimbursement coverage or schemes available or in place in any specific country and the continuation of such coverage and schemes. We currently have a very limited marketing function and no sales force and we will have to establish a more comprehensive marketing capability prior to bringing any cell therapies to market. Even if we are successful in obtaining regulatory approval, our candidates may not gain market acceptance or utility.

In addition, we expect that regulatory authorities will require the development and regulatory approval of a companion diagnostic assay as a condition to approval. We do not have experience or capabilities in developing or commercialising these companion diagnostics and plan to rely in large part on third parties to perform these functions. If we or our collaborators, or any third parties that we engage to assist us, are unable to successfully develop companion diagnostic assays for use with any SPEAR T-cells or are unable to obtain regulatory approval or experience delays in either development or obtaining regulatory approval (including as a result of the impact of the COVID-19 pandemic), we may be unable to identify patients with the specific profile targeted for commercialization of our cell therapies.

Furthermore, we will face increasing competition from third parties as we proceed through clinical programmes, and such third parties may have more funding and resources than us, impacting on our end ability to bring our therapeutic candidates to market.

Regulation and Financial Controls

Our clinical candidates are highly regulated and the regulatory process is lengthy and time-consuming. We may experience significant delays in obtaining regulatory approval or be required to make changes to our clinical programmes or therapeutic candidates by regulatory authorities. Our ability to obtain or maintain accelerated approval or orphan drug

designation for any clinical candidate is difficult to predict and may require the development of additional processes or assays. Even if we are successful in obtaining regulatory approvals in one country, this does not mean that we will be successful in other countries and further clinical programmes may be required to obtain required regulatory approvals in such other countries. Should we obtain regulatory approval for any of our cell therapies we will be subject to ongoing regulatory obligations and requirements which may result in significant additional expense or delays to commercialisation of our products. Any failure to comply with regulatory requirements at any stage in the development of our cell therapies may harm our reputation and significantly affect our operating results.**)**

We are also subject to regulation as a company both in the United Kingdom and the United States including in relation to financial controls, anti-bribery and other internal policies and controls. If we fail to establish and maintain proper internal controls our ability to comply with applicable regulations could be impaired. A material weakness related to our risk assessment process over the design, implementation and operational effectiveness of controls over deferred income taxes, specifically the account for deferred income tax asset valuation allowance, was identified as part of the audit of our financial statements for the accounting year ending 31 December 2021, the remediation of which will require significant costs and resources. Any failure to remediate this material weakness or the identification of any other weaknesses in our internal controls over financial reporting may undermine the ability to provide accurate, timely and reliable reports on our financial and operating results.

Litigation

We face an inherent risk of product liability given the nature of our business and will face an even greater risk upon commercialisation of any candidates. We cannot guarantee that any insurance coverage we obtain will be sufficient to cover any product liability that arises. We may also face claims brought by third parties in relation to the way in which we run or manage our business, report the results of our business, or the impact our operations have on such third parties.

Third Parties

Development of our allogeneic cell therapies relies on a successful research collaboration with both Universal Cells Inc and Genentech Inc. Delays in agreeing research programs under the collaboration or to perform activities under research programs may impact our ability to receive research funding and may also impact development of our underlying "off-the-shelf" platform. Development of iPSC derived cell therapies relies on performance by Astellas and there can be no assurance that such performance will be provided on a timely basis or that any cell therapies resulting from the performance of the collaboration will proceed through research, development and into clinical trials.

Certain raw materials or precursor materials used in the manufacture and supply of our cell therapies may come from sole source or limited source suppliers. For example, we rely on ThermoFisher Scientific Inc. ("ThermoFisher") and the technology we utilise for the activation and expansion of T-cells. Inability to obtain the relevant technology from ThermoFisher would cause delays to our clinical programmes and our ability to manufacture, supply and administer our TCR therapeutic candidates. We also rely heavily on third parties to conduct our clinical trials including universities, medical institutions, Contract Research Organisations ("CROs") and other clinical supply organisations.

Suppliers

We depend upon a limited number of suppliers, and certain components or raw materials for our cell therapies may only be available from a sole source or limited number of suppliers. Even if the key components that we source are available from other parties, the time and effort involved in obtaining any necessary regulatory approvals for substitutes could impede our ability to replace such components timely or at all. The loss of a sole or key supplier would impair our ability to deliver products to our patients or clinical sites in a timely manner, adversely affect our sales and operating results and negatively impact our reputation.

Intellectual Property

We may be forced to litigate to enforce or defend our intellectual property rights and to protect our trade secrets. We may also not be able to obtain suitable protection for our technology or products, or the cost of doing so may be prohibitive or excessive. We cannot provide any assurance that the intellectual property rights that we own or license provide protection from competitive threats or that we would prevail in any challenge mounted to our intellectual property rights. Third parties may claim that our activities or products infringe upon their intellectual property which will adversely affect our operations and prove costly and time-consuming to defend against. We have licensed, and expect to continue to license, certain intellectual property rights from third parties. We cannot provide any assurances that we will be successful in obtaining and retaining licences or proprietary or patented technologies in the future. Further, our products may infringe the intellectual property rights of others and we may be unable to secure necessary licences to enable us to continue to manufacture or sell our products.

Employees

We rely on the ongoing involvement of certain key employees. Our ability to further progress our clinical candidates and develop further clinical candidates is dependent on our ability to grow the size and capabilities of our organisation and we may experience difficulties in managing this growth or achieving this growth within anticipated timescales.

Facilities

If any of our existing facilities or any future facilities, infrastructure or our equipment, including our information technology systems, were damaged or destroyed, or if we experience a significant disruption in our operations for any reason, our ability to continue to operate our business could be materially harmed. For example, if our US facility or infrastructure was damaged or destroyed we may be unable to make certain cell therapies until an alternative manufacturer has been found. We may need to expand our facilities and infrastructure in order to support commercialisation of our cell therapies. There is no guarantee we will be able to fund such expansion or to obtain the resources we need for such expansion within the currently planned timescales. We maintain insurance coverage against damage to our property and equipment and business interruption and research and development.

Brexit

We are headquartered in the United Kingdom. The United Kingdom formally exited the European Union, commonly referred to as Brexit, on 31 January 2020. Under the terms of its departure, the United Kingdom entered a transition period, or the Transition Period, during which it continued to follow all European Union rules, which ended on 31 December 2020. On 30 December 2020, the United Kingdom and European Union signed the TCA, which includes an agreement on free trade between the two parties and has been provisionally applicable since 1 January 2021.

Since 1 January 2021 the United Kingdom has operated under a separate regulatory regime to the European Union. European Union laws regarding medicinal products only apply in respect of the United Kingdom to Northern Ireland (as set out in the Protocol on Ireland/Northern Ireland). The European Union laws that have been transposed into United Kingdom law through secondary legislation remain applicable. While the United Kingdom has indicated a general intention that new law regarding the development, manufacture and commercialisation of medicinal products in the United Kingdom will align closely with European Union law there are limited detailed proposals for future regulation of medicinal products. There remains political and economic uncertainty regarding to what extent the regulation of medicinal products will differ between the United Kingdom and the European Union in the future.

Since a significant proportion of the regulatory framework in the United Kingdom applicable to our business and our drug candidates is derived from European Union directives and regulations, the withdrawal has and could continue to materially impact the regulatory regime with respect to the development, manufacture, importation, approval and commercialization of our cell therapies in the United Kingdom or the European Union. Great Britain is no longer covered by the European Union's procedures for the grant of marketing authorizations (Northern Ireland is covered by the centralized authorization procedure and can be covered under the decentralized or mutual recognition procedures). A separate marketing

authorization will be required to market drugs in Great Britain. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, would prevent us and our collaborators or delay us in commercialising any of our products in the UK and/or the EU and may restrict our ability to generate revenue and achieve sustainable profitability.

There is a degree of uncertainty regarding the overall impact that Brexit will have in the long-term on the development, manufacturing and commercialisation of pharmaceutical products, including the process to obtain regulatory approval in the United Kingdom for drug candidates and the award of exclusivities that are normally part of the European Union legal framework (for instance Supplementary Protection Certificates, Pediatric Extensions or Orphan exclusivity). Any divergence between the regulatory environments in place in the European Union and the United Kingdom could lead to increased costs and delays in bringing drug candidates to market.

FINANCIAL RISK MANAGEMENT

The Group is exposed to market risks in the ordinary course of our business, which are principally limited to interest rate fluctuations, foreign currency exchange rate fluctuations, particularly between pound sterling and U.S. dollar, and credit risk. These risks are managed by maintaining an appropriate mix of cash deposits and securities in various currencies, placed with a variety of financial institutions for varying periods according to expected liquidity requirements.

As of 31 December 2021, we held $219.6 million in marketable securities, with the aim of diversifying our investments and reducing credit risks. We have not entered into investments for trading or speculative purposes.

Interest Rate Risk

The Group's surplus cash and cash equivalents are invested in interest-bearing savings, money market funds, corporate debt securities and commercial paper from time to time. The Group's investments in corporate debt securities are subject to fixed interest rates. The Group's exposure to interest rate sensitivity is impacted by changes in the underlying U.K. and U.S. bank interest rates and the fair market value of our corporate debt securities will fall in value if market interest rates increase. Management does not believe an immediate one percentage point change in interest rates would have a material effect on the fair market value of our portfolio, and therefore does not expect the operating results or cash flows to be significantly affected by changes in market interest rates.

Currency Risk

The Group is exposed to foreign exchange rate risk because we currently operate in the United Kingdom and the United States. The Group's expenses are generally denominated in the currency in which the operations are located, which are the United Kingdom and the United States. However, the U.K.-based subsidiary incurs significant research and development costs in U.S. dollars and, to a lesser extent, Euros.

The results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. The Group seeks to minimize this exposure by maintaining currency cash balances at levels appropriate to meet forthcoming expenses in U.S. dollars and pounds sterling. To date, the Group has not used forward exchange contracts or other currency hedging products to manage exchange rate exposure, although it may do so in the future. The exchange rate as of 31 December 2021, the last business day of the reporting period, was £1.00 to $1.35.

Credit Risk

The Group's cash and cash equivalents are held with multiple banks and the Group monitors the credit rating of those banks. The investments in corporate debt securities and commercial paper are subject to credit risk. The Group's investment policy limits investments to certain types of instruments, such as money market instruments, corporate debt securities and commercial paper, places restrictions on maturities and concentration by type and issuer and specifies the minimum credit ratings for all investments and the average credit quality of the portfolio.

Trade receivables were $0.1 million and $nil as of 31 December 2021 and 2020 respectively. Trade receivables arise in relation to the Astellas Collaboration Agreement and the Genentech and the GSK Collaboration and License Agreements. We have been transacting with Astellas since January 2020, Genentech since October 2021 and GSK since 2014, during which time no impairment losses have been recognized. No balances were past due as of 31 December 2021.

Going Concern

The Group's going concern assessment is provided in the Directors' Report on page 9.

ENVIRONMENTAL MATTERS

Our operations require the use of hazardous materials, which, among other matters, subjects us to a variety of federal, state, local and foreign environmental, health and safety laws, regulations and permitting requirements, including those relating to the handling, storage, transportation and disposal of biological and hazardous materials and wastes. The primary hazardous materials we handle or use include human blood samples and solvents. Some of the regulations under the current regulatory structure provide for strict liability, holding a party liable for contamination at currently and formerly owned, leased and operated sites and at third party sites without regard to fault or negligence. We could be held liable for damages and fines as a result of our, or others', operations or activities should contamination of the environment or individual exposure to hazardous substances occur. We could also be subject to significant fines for failure to comply with applicable environmental, health and safety requirements. We cannot predict how changes in laws or development of new regulations will affect our business operations or the cost of compliance.

GREENHOUSE GAS REPORT

Our greenhouse gas emissions estimates for 2021 and 2020 have been prepared in accordance with the UK Government's guidance document "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, from March 2019".

Greenhouse Gas Emissions for the Group

Period	Year ended 31 December 2021	Year ended 31 December 2020
Source	**Tonnes carbon dioxide equivalent (tCO2-e)**	**Tonnes carbon dioxide equivalent (tCO2-e)**
Estimated greenhouse gas emissions from our own activities, including the combustion of fuel and the operation of our facilities	0.00	0.00
Estimated greenhouse gas emissions from purchased electricity, heat, steam or cooling for own use	846.02	883.33
Total estimated greenhouse gas emissions	**846.02**	**883.33**
Intensity ratio: Total greenhouse gas emissions per employee on the basis of the average number of 463 full-time equivalent employees during the year ended 31 December 2021 (2020: 394).	**1.827**	**2.242**

The Group consumed less than 40,000 MWh of energy during the year ended 31 December 2021 and, as a low energy user, is exempt from reporting on its total global energy use and information relating to energy efficiency action.

Due to an error in a calculation, it was found that the estimates for the year ended 31 December 2020 had been overstated. The corrected estimates for the year ended 31 December 2020 are shown in the above table to enable a valid comparison with the estimates for the year ended 31 December 2021.

We have used the most recent evidence or estimates provided by our energy supply partners to generate our disclosure of emissions for the period. These include the purchase of electricity, heat, steam or cooling. Standard emissions factors from

the "UK Government GHG Conversion Factors for Company Reporting 2021" guidance were applied in order to estimate emissions. The Group considers that the intensity ratio of tonnes of carbon dioxide per full-time equivalent employee is a suitable metric for its operations.

Electricity usage at our leased facilities in the United States and the United Kingdom drive the majority of our greenhouse gas emissions. Our estimates reflect the use of coolant gasses for refrigeration purposes at our laboratories in Oxfordshire and at our laboratories in our manufacturing facility in the United States.

The decrease in total estimated greenhouse gas emissions in the year ended 31 December 2021 compared to the year ended 31 December 2020 was driven by certain staff working from home during the COVID-19 pandemic and following the introduction of more flexible hybrid working arrangements. The decrease in total greenhouse gas emissions per employee was driven by an increase in the average number of full-time equivalent employees during the year ended 31 December 2021 compared to the year ended 31 December 2020. As a matter of course, the Group actively looks to minimise indirect areas of emissions by enabling remote working and promoting online conferencing facilities to reduce business travel. During the year ended 31 December 2021, as a result of the COVID-19 pandemic, most board and company meetings, such as staff update meetings, were held using online conferencing facilities.

EMPLOYEES

As at 31 December 2021, we had 494 employees (including our Chief Executive Officer who is also a Company Director), compared to 462 as at 31 December 2020. Of these employees, 366 were in R&D (including in manufacturing and operations, and quality control and quality assurance) and 128 were in management and administrative functions (including business development, finance, intellectual property, and information technology and general administration). The average number of full-time equivalent employees during the year ended 31 December 2021 was 463 (*year ended 31 December 2020: 394*). We have never had a work stoppage and none of our employees are covered by collective bargaining agreements or represented by a labour union. We believe our employee relations are good.

Diversity

Appointments within the Group are made on merit according to the balance of skills and experience offered by prospective candidates. Whilst acknowledging the benefits of diversity, individual appointments are made irrespective of personal characteristics such as race, disability, gender, sexual orientation, religion or age. Further information regarding diversity is included in the Employees section of the Section 172 (1) statement set out in our Strategic Report.

A breakdown of the employment statistics on the basis of employees as at 31 December 2021 is as follows:

Position	Male	Female	Total
Company Director (1)	8	1	9
Senior Manager	4	1	5
Other Employees	209	279	488
Total Employees (2)	213	280	493

(1) Includes our Chief Executive Officer
(2) Excludes our Chief Executive Officer

EMPLOYEE CONSULTATION AND HUMAN RIGHTS

The Group places considerable value on the involvement of its employees. Regular "All Hands" meetings are held with employees to discuss the operations and progress of the business and employee surveys are periodically used to seek employee views on important topics. Employees are encouraged to become involved in the success of the Group through share option schemes (see note 24 to the financial statements).

The Group endeavours to impact positively on the communities in which it operates. As part of our code of conduct we promote the principles of human rights. The Group does not have a standalone policy specific to human rights. As is clear from our code of conduct, we will respect the human rights of all our employees, including: provision of a safe, clean working environment; ensuring employees are free from discrimination and coercion; not using child or forced labour and respecting the rights of privacy and protecting access and use of employee personal information. We also have an equal opportunities policy which promotes the right of every employee to be treated with dignity and respect and not to be harassed or bullied on any grounds.

SECTION 172 (1) STATEMENT

Introduction

Section 172(1) of the Companies Act 2006 sets out the director's duty to promote the success of the company. It provides that a director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a. The likely consequences of any decision in the long term

b. The interests of the company's employees

c. The need to foster the company's business relationships with suppliers, customers and others

d. The impact of the company's operations on the community and the environment

e. The desirability of the company maintaining a reputation for high standards of business conduct, and

f. The need to act fairly as between members of the company.

This section describes how the Directors have had regard to the matters set out in Section 172 (1) (a) to (f) when performing their duty to promote the success of the company.

Our strategy

As set out in the Business strategy section earlier in our Strategic Report, building on our leadership position with T-cell therapies in solid tumour indications, our strategic objective is to be a world leader in designing and delivering cell therapies that transform the lives of people with cancer.

Key stakeholder groups

Our key stakeholder groups and methods of engagement are designed to support our business strategy. Understanding our stakeholders enables their interests and the potential impact of decisions on them to be considered during Board discussions.

Our key stakeholder groups, their material interests and our engagement with them, as a company and through the Board, are summarised in the following table. As noted below, Board engagement may frequently occur through our CEO, who is a Director, and our executive team members and other senior managers where appropriate. Since the advent of the COVID-19 pandemic in 2020, meetings have largely been held by videoconference and teleconference, with some meetings held in person during 2021 as restrictions eased.

Summary of key stakeholder groups and engagement

People with cancer	
Their interests	• To find a potential therapy to cure or alleviate their condition or improve quality of life • To contribute to research into potential new cell therapies
How we engage	• Engagement is primarily through the Principal Investigators and sub-investigators performing our clinical trials and who represent the patients on our clinical trials • We meet with certain patient groups applicable to particular cancer indications. In 2021, we continued with meetings via videoconferencing. • We attend conferences relevant to cancer to share information from our clinical trials and engage with others in the cancer field. We continued to attend conferences that were held in virtual format. • A dedicated Patient and Family area on our website provides resources • We support initiatives such as Cancer Immunotherapy Month and certain social media events designed at educating people around cell therapy and cell therapy trials • We have a patients communication policy which is designed to ensure that we address any questions promptly and appropriately
How the Board engages	• Our CEO and other members of our leadership team meet with members of the clinical site study conduct teams and other key stakeholders at clinical sites. During 2021, meetings continued and were held via videoconferencing. • Regular reports concerning our clinical trials are presented at Board meetings, with key updates as required
Hospital sites for our clinical trials	
Their interests	• Improved scientific knowledge, education and awareness in relation to the applicable cancer indications including the ability to communicate improvements in the field to others • Ability to treat patients with new cell therapies, as part of our clinical trials, and to understand and assess the impact of those cell therapies on people with cancer • Safety and training in procedures used for administration of our cell therapies
How we engage	• Our clinical operations team builds and maintains relationships with hospital sites running our clinical trials and, in particular, with the clinical teams engaged with those clinical trials • Training is provided by our clinical operations team as part of the activation process for all clinical sites participating in our clinical trials

	• Publication and presentation opportunities are provided to investigators at clinical sites as clinical data emerges • We have regular meetings with the investigators on our trials to ensure they can ask questions on our clinical trials and receive updated information • We share translational and other emerging data with investigators at clinical sites in order to improve the experience for those investigators and for patients
How the Board engages	• Regular reports presented at Board meetings, with key updates as required • Reports presented to Board include summaries from Scientific Advisory Board (SAB) meetings. Our SAB is comprised of individuals with experience in the cancer field who meet with members of our executive team, clinical operations team and R&D team • Material findings from Safety Advisory Board meetings are included in Board reports. The Safety Advisory Board comprises third party individuals with experience in cancer field who meet to discuss safety data and ensure that clinical trials progress with a favourable risk:benefit profile for patients
Regulators	
Their interests	• Patient safety and compliance with regulations
How we engage	• Our regulatory team engages directly with regulatory authorities in multiple jurisdictions • Where relevant, our regulatory team engages with regulators ahead of any formal approvals for trial designs to discuss the trial design and anticipated next steps with regulatory agencies
How the Board engages	• Regular reports presented at Board meetings, with key updates as required
Employees	
Their interests	• Ability, through their work, to enable and support the development of cell therapies that could potentially make a difference to people with cancer • Training, development and prospects • Health and safety and working conditions • Diversity and inclusion • Fair pay, benefits and share plans
How we engage	• As at 31 December 2021, we had 494 employees working in Oxfordshire and Stevenage in the UK and Philadelphia in the USA. • Diversity and Inclusion Council ("D&I Council") established in 2021 with membership comprising diverse employees from all levels in the Company. A Diversity and Inclusion Plan has been established by D&I Council and championed across the business by the CEO and

	executive team and presented to the Board. D&I progress updates are reviewed regularly by the Board Remuneration Committee. • Management development training including "Lunch and Learn" sessions • Executive training programme for senior leaders • Project First programme enhances collaborations across departments and ensures multi-function approaches to critical projects • Health and safety committee led by employees and attended by executive team members • COVID-19 Taskforce led by executive team members and representatives from the Health and Safety, HR, Legal and Communications functions has continued to manage the Company's operational response to the COVID-19 pandemic during 2021 and to date • Recruitment policy focused on merit and ability has attracted highly-skilled employees representing approximately 29 different nationalities • Performance based reward; bonus scheme and share option plans open to all employees • Staff intranet with multiple articles covering the business; weekly newsletter • Global town halls with our CEO, executive team and employees as presenters. These global town halls have continued mostly via online conferencing in 2021 with some town halls held as hybrid meetings involving socially distanced, in-person presence and online participation • Q&A sessions with CEO and executive team • CEO video message updates • Employee engagement surveys seek employee views on important business topics and on our reward programmes in the UK and US. • Flexible working arrangements are available to employees • Open plan working environment, combined with meeting spaces, provides a flexible infrastructure that fosters daily collaboration along with the capacity for team meetings and confidential discussions. Since the COVID-19 pandemic, our open plan working environment has been repurposed with safety screens, distanced workspaces and other appropriate measures to ensure a safe working environment for those employees whose on-site work is essential and other employees returning to the office on a flexible basis as restrictions eased. • Wellbeing rooms enable employees to have quiet time and focus on their mental health away from their working environment • "Help@hand" program provides optional, confidential access for employees to medical and physiotherapy support, mental health support and life, money and wellbeing support.

How the Board engages	In addition to the engagement by our CEO, who is a Director, outlined above: • Board meetings are usually held at the company's facilities in the UK and USA. Board members also hold one-to-one meetings with managers. During 2021, all Board and committee meetings and one-to-one meetings with managers were held via videoconferencing with the exception of the December 2021 Board and committee meetings, and associated meetings with managers, which were held in person. • Employees are invited to present at Board meetings and/or attend for discussion of matters relating to their specialist area • VP, Human Resources attends all Board Remuneration Committee meetings and provides reports on employee matters including D&I progress updates for review • Board also receives reports on employee matters including D&I
Shareholders	
Their interests	• Comprehensive view of financial and sustainable performance of the business • Share price
How we engage	• Regular reporting on the Group's performance, including through our Annual and Quarterly Reports and press releases • Investor Relations website • Investor conferences and roadshows • Regular meetings with investors and analysts • Annual General Meeting
How the Board engages	• Regular reports on investor and analyst feedback • Quarterly conference calls hosted by our CEO and executive team • Regular one-to-one meetings and calls with our CEO and executive team
Partners	
Their interests	• Development of new or enhanced technologies
How we engage	• Strategic collaborations and licensing agreements • Senior management engagement with partner senior management during negotiations and beyond • Alliance management process in place for all strategic alliances to ensure effective collaboration

	• Joint steering committee meetings and other committee meetings held regularly once collaboration is underway • CEO and executive team member visits to partners and visits by partner senior management to Adaptimmune. In 2021, interaction with partners was maintained largely via meetings using videoconferencing with some meetings held in person as COVID-19 restrictions eased
How the Board engages	• Regular reports presented at Board meetings on progress of collaborations • Scoping out of relationship and material changes to relationship are approved by Board and executive team
Suppliers	
Their interests	• Efficient and trusted relationship • Ongoing successful supply relationship
How we engage	• Supplier policies and supplier agreements in place with all material suppliers • Dedicated internal function to manage supplier relationships with material suppliers • Regular audits of significant suppliers to ensure consistency of supply and compliance with supplier requirements • Visits to engage with suppliers including in relation to new technology developments • Technology collaborations and trials of new technologies are undertaken where appropriate
How the Board engages	• Regular reports presented at Board meetings for major suppliers • Senior management engagement with supplier senior management for material suppliers • CEO and executive team member visits to suppliers and visits by supplier senior management to Adaptimmune. In 2021, interaction with suppliers occurred via videoconference with some meetings held in person as COVID-19 restrictions eased.
Communities and environment	
Their interests	• Safe environment • Sustainable employer
How we engage	• Presentations at local schools and colleges • Internships • Membership of local and regional networks • Direct engagement locally with MPs and local and regional councils

	• Bike to Work schemes in place at our offices • Recycling programme in place at our offices • Travel policy focused on essential travel and encouragement of alternative forums for meetings other than physical meetings • Videoconferencing meetings encouraged. Since the advent of the COVID-19 pandemic, videoconferencing has been used for most meetings. • Social events allow employees to contribute to local and national charities, often with "matched" donations from the company. These events were held mainly via videoconferencing in 2021 with some events held outdoors as permitted by COVID-19 restrictions.
How the Board engages	• Supports ongoing investment in videoconferencing infrastructure as part of Budget review • High proportion of Board and committee meetings usually held by videoconference and teleconference. In 2021, most Board and committee meetings were held by videoconference with the December Board and committee meetings being held in person..

Illustrative examples

Examples of consideration of stakeholder interests during Board discussions and decisions are provided below.

Initiation of a SURPASS-2 Phase 2 trial with ADP-A2M4CD8

- A Phase 2 clinical trial with ADP-A2M4CD8 was initiated during 2021 for patients with esophageal and esophagogastric junction cancers and is enrolling
- In deciding to proceed with this trial, the Board considered the interests of, and potential impact on, patients, hospital sites, employees, suppliers and shareholders during discussions of recommendations regarding potential study plans, including resourcing and expenditure.

Material agreement

- On 3 September 2021, we entered into a strategic collaboration agreement with Genentech to research, develop and commercialise allogeneic T-cell therapies. The collaboration covers the research and development of "off-the-shelf" cell therapies for up to five shared cancer targets ("off-the-shelf" products) and the development of a novel allogeneic personalised cell therapy platform. Under the terms of the agreement, we have received an upfront payment of $150 million.
- In deciding to proceed with approval of this agreement, the Board considered the key terms of the agreement and its potential economic impact on shareholders as well as the potential benefits for cancer patients, hospital sites and shareholders that may ultimately result from the development of "off the shelf" cell therapies. The impact on suppliers and employees was also considered during discussions.

The Directors continue to be committed to having regard to the matters set out in Section 172 (1) (a) to (f) when performing their duty to promote the success of the company.

The Strategic Report was approved by the Board on 29 March 2022.

On behalf of the Board

Adrian Rawcliffe
Director

30 March 2022

Remuneration Committee Chairman's Statement

On behalf of the Board of Directors of Adaptimmune Therapeutics plc, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2021. Shareholders will be invited to approve the Report on Remuneration (which will be a non-binding advisory vote) at the Annual General Meeting of shareholders to be held on 25 May 2022.

Period Covered by the Directors' Remuneration Report

The Directors' Remuneration Report that follows is for the full year period from 1 January 2021 to 31 December 2021 except where otherwise stated.

The Remuneration Committee

The Committee is responsible for reviewing and establishing our executive remuneration policy and philosophy, including making recommendations regarding the remuneration of our Chief Executive Officer ("CEO") to the Board for its approval, and determining and approving the remuneration of other senior executive officers. While the Board sets the remuneration of our CEO, who is our sole Executive Director, the Committee makes recommendations on such matters to the Board.

Philosophy

We seek to attract and retain outstanding employees who have the potential to support the growth of the Group and to attract and retain Non-Executive Directors who can substantially contribute to our success as an innovative, clinical-stage biopharmaceutical company. As the Group has operations in the United Kingdom and the United States, our senior executives and our Non-Executive Directors live and work in the UK and the US, and we are listed on a US stock exchange, we assess the competitiveness of our policies against both UK and US benchmarks and practices, with an increasing focus on US benchmarks and practices.

Business Strategy during 2021

Our primary goal in 2021 was to progress the development of the Group including:

- progressing our T-cell therapies toward commercialisation. We are planning to file a Biologics License Application (BLA) with the FDA during 2022 for ADP-A2M4 for the treatment of patients with synovial sarcoma. We are also initiating a second Phase 2 clinical trial (SURPASS-2") with ADP-A2M4CD8 in esophageal cancers and are aiming to obtain clinical data from the Phase 2 trial during 2021;

- progressing our existing clinical candidates through development;

- progressing new autologous cell therapies, including HiT cell therapy candidates, new SPEAR T-cells and next generation TILs, towards the clinic

- continuing to develop 'off-the-shelf' cell immunotherapies;

- continuing to improve our manufacturing and patient supply processes to optimise how we deliver our cell therapies to patients; and

- expanding our intellectual property portfolio.

COVID-19 and our business

During the COVID-19 pandemic we have continued to focus on ensuring the safety of our work force whilst continuing the work we do to make our therapies available to people with cancer. Our facilities in the U.S. and U.K. remained open to support critical manufacturing and scientific activities. We are working with our employees to ensure that they follow guidelines set out by the U.K. and U.S. governments, as well as regional guidance including requirements for social distancing and mask wearing. In addition to safe working practices, we have invested in personal protective equipment and installed screens and other physical measures to enhance the safety of our facilities.

The pandemic has created challenges for conducting clinical trials and we continue to work with our clinical sites to enroll and treat patients at the earliest possible time particularly given that many of our patients have late-stage cancer. Certain clinical sites have chosen to postpone treatment of patients or participation in trials whilst the pandemic is impacting resources at those sites. We have experienced challenges around our supply chain. Many of the materials and consumables we require for manufacture and supply of products and also for research are also required for manufacture of COVID-19 vaccines and as a result these were prioritised to meet vaccine supplies. In certain cases, for example, in accordance with the U.S. Defense Production Act, suppliers were required to prioritise vaccine supplies. This resulted in some delays in supply of materials and consumables we require for our business, however, we were able to mitigate against impacts associated with any supply delays by purchasing in advance where possible, prioritising use of such supplies and sourcing alternative suppliers where necessary.

We have continued and will continue to adjust our working practices as the pandemic evolves to ensure we can continue to treat people with cancer as quickly and as effectively as possible whilst protecting the health of our colleagues.

2021 Business Highlights

Notwithstanding the impact of the COVID-19 pandemic on the biotech industry, 2021 was a year of strong operational performance for Adaptimmune.

Key business highlights during 2021 included:

Progressing our T-cell therapies towards commercialisation

- ***SPEARHEAD-1 Phase 2 Trial with afami-cel (ADP-A2M4)****:*
  - Our registration directed Phase 2 clinical trial is ongoing in synovial sarcoma in which the MAGE-A4 antigen is expressed. During 2021, enrolment in Cohort 1 was completed, and the cohort met its primary endpoint with an overall response rate per independent review of 34%. Subject to the successful filing and approval of a BLA by the FDA we plan to commercially launch afami-cel in the United States. Cohort 2 of the trial was initiated in 2021 and is ongoing.

Progressing our existing clinical candidates through development

- ***SURPASS Phase 1 Trial with ADP-A2M4CD8***:
  - Enrollment is ongoing in a Phase 1 trial for our next generation SPEAR T-cell, ADP-A2M4CD8, including for patients with lung, gastroesophageal, head and neck, ovarian and bladder cancers in which the MAGE-A4 antigen is expressed. In 2021, an overall response rate of 36% was reported at the European Society for Medical Oncology conference with a complete response in a patient with ovarian cancer and partial responses reported in patients with ovarian, head and neck, esophagogastric junction, bladder and synovial sarcoma cancers.

- ***SURPASS -2 Phase 2 Trial with ADP-A2M4CD8***:
  - In 2021, a Phase 2 clinical trial with ADP-A2M4CD8 in esophageal and esophagogastric junction cancers was initiated and is enrolling.

- A further Phase 2 trial with ADP-A2M4CD8 in ovarian cancer ("SURPASS-3") is planned to start later in 2022 and a trial combining ADP-A2M4CD8 with a checkpoint inhibitor is also in planning.

- We are also planning to initiate a Phase 1 trial with a new next-generation SPEAR T-cell targeting MAGE-A4 for the treatment of patients with advanced head and neck squamous cell carcinoma, non-small cell lung cancer, or ovarian cancer. Developed in collaboration with Noile-Immune Biotech Inc., this product (ADP-A2M4N7X19) incorporates IL-7 and CCL19 in the cell therapy product.

Progressing new autologous cell therapies, including HiT cell therapy candidates, new SPEAR T-cells and next generation TILs, towards the clinic

- We have an active preclinical pipeline of cell therapy candidates with the aim of delivering five new autologous cell therapies to the clinic by 2025. The pipeline includes new autologous SPEAR T-cells, SPEAR T-cells addressing alternative HLA-types, next-generation SPEAR T-cells, HLA Independent TCRs ("HiTs") and next-generation TILs. These are being developed internally and in collaboration with third parties including Alpine Immune Sciences, the National Center for Cancer Immune Therapy in Denmark ("CCIT") and Noile-Immune Biotech Inc.

- In 2021, a clinical trial application for TILs incorporating IL-7 was filed in Denmark, with a clinical trial planned to start in 2022 at CCIT. These approaches enable us to further enhance and extend the reach of our cell therapies thus increasing the number of patients we can potentially treat.

Continuing to develop 'off-the-shelf' cell immunotherapies

- We have continued to develop allogeneic or "off-the-shelf" cell therapies utilizing a proprietary allogeneic platform.

- In 2021 we announced a strategic collaboration with Genentech Inc. and F. Hoffman-La Roche Ltd.to research, develop, and commercialise allogeneic T-cell therapies. The collaboration covers the research and development of "off-the-shelf" cell therapies for up to five shared cancer targets ("off-the-shelf" products) and the development of a novel allogeneic personalised cell therapy platform. Under the terms of the agreement, we have received an upfront payment of $150 million and may receive additional payments of $150 million over five years, unless the agreement is earlier terminated. In addition, we may be eligible to receive research, development, regulatory and commercial milestones payments potentially exceeding $3 billion in aggregate value. We will also receive tiered royalties on net sales in the mid-single to low-double digits. We have the right to opt in to a 50/50 U.S. profit/cost share on "off-the-shelf" products. If we elect to opt in, then we will be eligible to share 50 percent of profits and losses from U.S. sales on such products and are eligible to receive ex-U.S. regulatory and sales-based milestone payments, as well as royalties on ex-U.S. net sales.

- We also have a strategic collaboration program ongoing with Astellas (through its wholly owned subsidiary Universal Cells) in relation to up to three targets with the aim of co-developing T-cell therapy candidates directed to those targets and utilizing our allogeneic platform for "off-the-shelf" cell therapies. The first target subject to the collaboration is the mesothelin target to which a HiT cell therapy is being developed and a second target has been nominated by Astellas.

Continuing to improve our manufacturing and patient supply processes to optimise how we deliver our cell therapies to patients

- During 2021, we continued to progress scaling up of personnel, manufacturing processes and IT systems, and optimising space in our Navy Yard facility in preparation for our commercial launch in synovial sarcoma.

Activities and major decisions

The Committee's activities during the year included a benchmarking review of executive compensation, which was undertaken to ensure that remuneration for the senior executive team remains competitive for the purposes of retention and engagement. The Committee engaged Willis Towers Watson to benchmark executive compensation against a selected peer group consisting largely of comparable U.S.-listed biopharmaceutical companies, with some U.K.-listed biopharmaceutical companies, and to provide recommendations for base salaries, equity based awards and the structure of bonus incentive awards for 2022.

As a result of this benchmarking exercise, our CEO and senior executive officers received increased base salaries at levels that remain compliant with the last approved Directors' Remuneration Policy. For our CEO, this resulted in a base salary of $650,000 effective from 1 January 2022, to maintain competitive positioning against the peer group.

In December 2021 the Committee also considered the extent of achievement of 2021 calendar year objectives by the executive team and determined the level of bonus incentive awards payable in respect of the 2021 calendar year. When determining the annual bonus payments, the Committee considered the payments in the context of the impact of the COVID-19 pandemic on Adaptimmune, our shareholders and employees and determined that a significant proportion of our corporate objectives for 2021 had been achieved during a challenging year. Therefore, the awards made to our CEO and senior executive officers recognised that a significant proportion of our corporate objectives for 2021 were achieved, with our CEO receiving a bonus award at the 60% target amount and with the application of a corporate multiplier of 95%. The same corporate multiplier of 95% was applied to bonus awards made to all other employees in recognition of the entire team's significant achievement.

In December 2021 the Committee approved the objectives to be achieved by the executive team during 2022. These are considered to be commercially sensitive and will not be disclosed in detail, but are designed to support achievement of our strategic objective to be a world leader in the research and development of T-cell therapies for solid tumours and our ambition to be a fully integrated cell therapy company.

The 2022 objectives are linked to our business goals, which include the continuation of some 2021 goals:

- Progressing two T-cell therapies towards commercialisation.
  - We are planning to file a BLA with the FDA during Q4 2022 for afami-cel. Further Phase 2 trials are underway (SURPASS-2 in esophageal and esophagogastric junction cancers) or anticipated to start later in 2022 (SURPASS-3 in ovarian cancer). Depending on the clinical data obtained from those trials we plan to file a BLA following conclusion of those trials.

- Progressing two cell therapies into later clinical phase.
  - Depending on data from ongoing clinical trials, we plan to rapidly progress clinical candidates through clinical trials and towards BLA filing.

- Progressing five new autologous cell therapies into the clinic within five years.
  - We continue to progress our pipeline of cell therapy candidates including HiT cell therapy candidates, new SPEAR T-cells and next-generation TILs. We aim to progress these candidates through our preclinical pipeline quickly and start Phase 1 clinical trials once preclinical work is complete. For example, a next-generation TIL trial in collaboration with CCIT is in the process of being initiated with a CTA filed in 2021 in Denmark and a Phase 1 clinical trial with ADP-A2M4N7X19, a new next-generation product incorporating IL-7 and CCL19 is planned to be initiated later in 2022.

- Continuing to develop 'off-the-shelf' cell immunotherapies;

- Continuing to improve our manufacturing and patient supply processes to optimise how we deliver our cell therapies to patients; and

- Expanding our intellectual property portfolio.

Generally, the remuneration arrangements adopted in 2022 recognise the greater demands placed on our CEO and senior executive team to deliver on our strategy and create value for our shareholders.

Finally, under the last approved Directors' Remuneration Policy, the Board has discretion to pay Non-Executive Directors in the form of a mixture of cash and equity. The remuneration arrangements for Non-Executive Directors during 2021 comprised an award of a fixed number of share options, plus an additional number of share options or cash payment at the Director's election. The option awards and cash payments were made at competitive levels aligned with peer group data from comparable companies provided in a benchmarking analysis undertaken by Willis Towers Watson in 2021.

David M Mott
Director and Chairman of the Remuneration Committee

30 March 2022

PART I - REPORT ON REMUNERATION

The information provided in this part of the Directors' Remuneration Report is subject to audit.

The Remuneration Committee presents the Report on Remuneration for the year ended 31 December 2021, which will be put to shareholders for a non-binding vote at the Annual General Meeting to be held on 25 May 2022.

Single Total Figure of Remuneration for each Director

The first table below shows the remuneration received by the Directors for the year ended 31 December 2021. For reference only, the second table also shows the remuneration received by the Directors who served for the year ended 31 December 2020, which information was included in the Company's annual report and financial statements for the year ended 31 December 2020 and approved by shareholders at the Annual General Meeting held on 14 May 2021.

During the year ended 31 December 2021, the Committee did not exercise any discretion over remuneration that was due to changes in the Company's share price.

	For the year ended 31 December 2021:									
	Fixed Pay [1]				Variable Pay [1]					
Name of Director	Salary and fees $	Benefits $	Pension allowance $	Total fixed $	Annual bonus $	Equity-Based Awards (6) $	Total variable $	Overall Total $	Fixed pay %	Variable pay %
Executive										
Adrian Rawcliffe (CEO)	617,050 (2)	24,941 (3)	14,000 (4)	655,991	351,719 (5)	748,985	1,100,704	1,756,695	37.34%	62.66%
Non-executives										
David Mott (Chairman)	—	—	—	—	—	—	—	—	0%	0%
Lawrence Alleva	—	—	—	—	—	—	—	—	0%	0%
Ali Behbahani	—	—	—	—	—	—	—	—	0%	0%
Barbara Duncan	50,000	—	—	50,000	—	—	—	50,000	100%	0%
John Furey	28,750 (2)	—	—	28,750	—	—	—	28,750	100%	0%
James Noble	19,552 (2)	—	—	19,552	—	—	—	19,552	100%	0%
Elliott Sigal	—	—	—	—	—	—	—	—	0%	0%
Tal Zaks	47,500	—	—	47,500	—	—	—	47,500	100%	0%

	For the year ended 31 December 2020:									
	Fixed Pay [1]				Variable Pay [1]					
Name of Director	Salary and fees $	Benefits $	Pension allowance $	Total fixed $	Annual bonus $	Equity-Based Awards (6) $	Total variable $	Overall Total $	Fixed pay %	Variable pay %
Executive										
Adrian Rawcliffe (CEO)	574,000 (2)	19,566 (3)	13,850 (4)	607,416	378,840 (5)	414,996	793,836	1,401,252	43.35%	56.65%
Non-executives										
David Mott (Chairman)	—	—	—	—	—	—	—	—	0%	0%
Lawrence Alleva	0	—	—	—	—	—	—	—	0%	0%
Ali Behbahani	—	—	—	—	—	—	—	—	0%	0%
Barbara Duncan	50,000	—	—	50,000	—	—	—	50,000	100%	0%
John Furey	—	—	—	—	—	—	—	—	0%	0%
Giles Kerr	23,313	—	—	23,313	—	—	—	23,313	100%	0%
James Noble (7)	165,132 (2)	2,293 (3)	9,255 (4)	176,681	—	—	—	176,681	100%	0%
Elliott Sigal	—	—	—	—	—	—	—	—	0%	0%
Tal Zaks	47,500	—	—	47,500	—	—	—	47,500	100%	0%

Notes to table of Single Total Figure of Remuneration for each Director

(1) For the year ended 31 December 2021, the majority of the remuneration was set and paid in U.S dollars ($). For the purpose of these tables, payments made in pounds sterling to Mr James Noble for the year ended 31 December 2021 and the year ended 31 December 2020 and payments made in pounds sterling to Mr Giles Kerr for the year ended 31 December 2020 have been translated into U.S dollars based on the U.S. dollar/pound sterling exchange rate at 31 December 2021 ($1.34973 to £1).

(2) The base salary levels of our CEO and all other employees of the Group are reviewed and, to the extent deemed necessary, adjusted to be effective from 1 January in each year. For the year ended 31 December 2021, the fee amount of $28,750 for Mr Furey and the fee amount of $19,552 for Mr Noble is a pro-rata amount based on six months of their fees effective for the period from 1 July to 31 December 2021.

(3) Benefits comprise medical insurance, life assurance and income protection. Generally, Mr Rawcliffe participates in the same benefits as we offer to all our employees in the USA where Mr Rawcliffe resides, and Mr Noble formerly participated in the same benefits as we offer to all our employees in the United Kingdom where Mr Noble resides. In addition, Mr Rawcliffe is entitled to the reimbursement of accountancy fees for preparation of his tax returns. For the year ended 31 December 2020, the benefits amount of $2,293 for Mr Noble is a pro-rata amount based on three months of his benefits. Mr Noble ceased to be eligible for benefits effective on 31 March 2020.

(4) The pension allowance for Mr. Rawcliffe for the year ended 31 December 2021 and the year ended 31 December 2020 is his 401(k) plan payment. For year ended 31 December 2020, the pension allowance for Mr Noble was a pro-rata amount based on three months of his pension allowance of $37,020, which represented an amount equating to 6% of the base salary for the year ended 31 December 2020 for Mr Noble. Mr Noble ceased to be eligible for any further pension allowance payments on 31 March 2020.

(5) The annual bonus amount for each of the year ended 31 December 2021 and the year ended 31 December 2020 represents the total bonus payment that related to performance in each of 2021 and 2020. For the year ended 31 December 2021, the bonus amount for Mr Rawcliffe represents 60% of his salary of $617,050. A company performance multiplier of 95% was applied to the amount. For the year ended 31 December 2020, the bonus amount for Mr Rawcliffe represents 60% of his salary of $574,000. A company performance multiplier of 110% was applied to the amount.

(6) There were no performance obligations linked to the equity-based awards and there is no impact of share price appreciation on value that is required to be reported in the above table. In each of the year ended 31 December 2021 and the year ended 31 December 2020, the value of equity-based awards included in the table is based on the market value of the underlying shares at the date of grant less the applicable exercise price. For market value options, this results in a nil value because the exercise price was based on the market value of the underlying shares at the date of grant. The values shown for equity-based awards for Mr Rawcliffe in the year ended 31 December 2021 and in the year ended 31 December 2020 are the values of the RSU-style options granted to him in each of those years in relation to his service as CEO and a director.

(7) Mr Noble waived all fees and equity awards for his service as a Non-Executive Director for the period from 1 September 2019 to 31 March 2020. Mr Noble served his nine month notice period as CEO and continued to be eligible to receive his salary and benefits, which ceased on 31 March 2020. Mr Noble became eligible for our Non-Executive Director compensation package effective from 1 April 2020.

Annual Bonus

The annual bonus for the year ended 31 December 2021 shown in the table above for Mr Rawcliffe, our CEO, was based on the achievement of objectives primarily linked to our business strategies and which included: progressing our T-cell therapies towards commercialisation; progressing our existing clinical candidates through development; progressing new autologous cell therapies, including HiT cell therapy candidates, new SPEAR T-cells and next generation TILs, towards the clinic; continuing to develop 'off-the-shelf' cell immunotherapies; continuing to improve our manufacturing and patient supply processes to optimise how we deliver our cell therapies to patients; and expanding our intellectual property portfolio.

The Board has considered whether it would be in the best interests of the Company and its shareholders to disclose the precise targets agreed for the performance measures in 2021. An additional consideration is that most of our competitors are based in the U.S. where market practice is not to disclose precise annual bonus targets for biotechnology companies at the pre-commercialization stage. As the specific objectives for a single year are based on the Group's long-term strategies, the Board has concluded that disclosing such targets would necessarily involve divulging competitively sensitive information that we believe would be detrimental to our commercial performance going forward and, therefore, we are providing the categories of objectives, rather than the precise targets.

Statement of Directors' Shareholdings and Share Interests

The table below shows, for each Director, the total number of shares owned, the total number of share options held, the number of share options vested as at 31 December 2021 and the share options exercised during the year ended 31 December 2021. The table only reflects shares held individually by each Director, or a family investment vehicle or trust, and does not include shares held by any investment fund with which the Director is affiliated.

Name of Director	Shares owned	Total share options	Vested share options (1)	Options exercised during year ended 31 December 2021
Executive Director				
Adrian Rawcliffe (CEO)	291,102 (2)	16,461,144	9,555,810	319,308
Non-Executive Directors				
David Mott (Chairman)	—	2,001,724	1,422,230	—
Lawrence Alleva	143,364 (3)	2,089,433	1,583,515	—
Ali Behbahani	—	1,608,891	1,134,506	—
Barbara Duncan	—	1,367,562	987,774	—
John Furey	—	1,100,748	720,960	—
James Noble	8,145,700	9,697,533	9,317,745	—
Elliott Sigal	367,038 (4)	1,997,286	1,522,901	—
Tal Zaks	—	1,203,788	824,000	—

(1) All share options that were outstanding as at 31 December 2021 use time-based vesting and are not subject to performance targets other than continued service until the date of vesting.

(2) Consists of 291,102 Ordinary shares represented by 48,517 ADSs obtained from the exercise of RSU-style options in 2019, 2020 and 2021 covering Ordinary shares granted on 12 January 2018, 4 January 2019, 27 June 2019, 1 September 2019 and 16 January 2020 that had vested in 2019, 2020 and 2021. 25% of the RSU-style options vest on each anniversary of the grant date over a period of four years. Once vested, the RSU-style options must be exercised within a restricted period or they are forfeited. The exercise of these Ordinary shares was effected on a Sell to Cover basis implemented automatically in accordance with the relevant share option plan, under which sufficient ADSs were sold by the Company to satisfy Mr Rawcliffe's tax withholding obligations and associated sale costs. The residual 48,517 ADSs are held by Mr Rawcliffe.

(3) Consists of 70,584 Ordinary shares represented by 11,764 ADSs that Mr Alleva purchased during the IPO, 47,280 Ordinary shares represented by 7,880 ADSs purchased by the Lawrence M. Alleva Revocable Trust in December 2018, 12,900 Ordinary shares represented by 2,150 ADSs purchased by the Lawrence M. Alleva Revocable Trust in June 2020 and 12,600 Ordinary shares represented by 2,100 ADSs purchased by the Lawrence M. Alleva Revocable Trust in June 2021.

(4) Consists of 254,100 Ordinary shares held by Sigal Family Investments LLC, 52,938 Ordinary shares represented by 8,823 ADSs that Dr Sigal purchased during the IPO and 60,000 Ordinary shares represented by 10,000 ADSs purchased by Sigal Family Investments LLC in May 2016.

Policy on Shareholding Requirements

We do not currently have a policy requiring our Directors to hold a certain number or value of our shares. However, we encourage our Executive Director and senior executive officers to have a shareholding in the Company.

Directors' Equity-based Awards Held at 31 December 2021

The table below presents the interests of the Directors in options to acquire our Ordinary shares with a nominal value of £0.001 per share as at 31 December 2021. 7,541,894 options were granted to Directors during the year ended 31 December 2021. One of our Directors exercised options during the year ended 31 December 2021 (further details are set out in the "*Statement of Directors' Shareholdings and Share Interests*" earlier in this report).

Name of Director	Options Held	Grant date	Start date for vesting	Exercise price	First date of exercise of some or all options (1)	Date of expiry
Executive Director						
Adrian Rawcliffe (CEO)	3,000,000	16/03/15	16/03/15	£ 0.50	16/03/16	16/03/25
	939,948	18/01/16	18/01/16	£ 0.89	18/01/17	18/01/26
	2,072,976	13/01/17	13/01/17	£ 0.59	13/01/18	13/01/27
	687,984	12/01/18	12/01/18	£ 0.96	12/01/19	12/01/28
	38,412	12/01/18	12/01/18	£ 0.001	12/01/19	12/01/28
	140,448	04/01/19	04/01/19	£ 0.001	04/01/20	04/01/29
	1,257,744	04/01/19	04/01/19	£ 0.70	04/01/20	04/01/29
	70,224	27/06/19	27/06/19	£ 0.001	27/06/20	27/06/29
	628,872	27/06/19	27/06/19	£ 0.53	27/06/20	27/06/29
	70,224	01/09/19	01/09/19	£ 0.001	01/09/20	01/09/29
	628,872	01/09/19	01/09/19	£ 0.22	01/09/20	01/09/29
	2,515,536	16/01/20	16/01/20	£ 0.57	16/01/21	16/01/30
	421,344	16/01/20	16/01/20	£ 0.001	16/01/21	16/01/30
	3,260,400	11/01/21	11/01/2021	£ 0.76	11/01/22	11/01/31
	728,160	11/01/21	11/01/2021	£ 0.001	11/01/22	11/01/31
Total	*16,461,144*					
Non-Executive Directors						
David Mott (Chairman)	163,229	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	191,410	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	302,561	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	187,330	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
	350,947	02/07/19	02/07/19	£ 0.48	02/07/20	02/07/29
	226,753	01/07/20	01/07/20	£ 1.35	01/07/21	01/07/30
	579,494	01/07/21	01/07/21	£ 0.51	01/07/22	01/07/31
Total	*2,001,724*					
Lawrence Alleva (2)	519,481	16/03/15	16/03/16	£ 0.50	16/03/16	16/03/25
	30,745	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	196,678	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	243,724	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	124,000	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
	271,209	02/07/19	02/07/19	£ 0.48	02/07/20	02/07/29
	197,678	01/07/20	01/07/20	£ 1.35	01/07/21	01/07/30
	505,918	01/07/21	01/07/21	£ 0.51	01/07/22	01/07/31
Total	*2,089,433*					
Ali Behbahani	155,682	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	184,562	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	220,788	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	154,809	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
	234,407	02/07/19	02/07/19	£ 0.48	02/07/20	02/07/29
	184,258	01/07/20	01/07/20	£ 1.35	01/07/21	01/07/30
	474,385	01/07/21	01/07/21	£ 0.51	01/07/22	01/07/31
Total	*1,608,891*					
Barbara Duncan (3)	332,776	23/06/16	23/06/16	£ 1.01	23/06/17	23/06/26
	228,765	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	158,233	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
	124,000	02/07/19	02/07/19	£ 0.48	02/07/20	02/07/29
	144,000	01/07/20	01/07/20	£ 1.35	01/07/21	01/07/30
	379,788	01/07/21	01/07/21	£ 0.51	01/07/22	01/07/31
Total	*1,367,562*					

John Furey (3)	284,233	05/07/18	05/07/18	£	1.49	05/07/19	05/07/28
	240,541	02/07/19	02/07/19	£	0.48	02/07/20	02/07/29
	196,186	01/07/20	01/07/20	£	1.35	01/07/21	01/07/30
	379,788	01/07/21	01/07/21	£	0.51	01/07/22	01/07/31
Total	*1,100,748*						
James Noble (4)	3,500,000	20/03/15	19/12/14	£	0.3557	19/12/15	19/12/24
	1,968,016	18/01/16	18/01/16	£	0.89	18/01/17	18/01/26
	1,641,106	13/01/17	13/01/17	£	0.59	13/01/18	13/01/27
	931,632	12/01/18	12/01/18	£	0.96	12/01/19	12/01/28
	192,060	12/01/18	12/01/18	£	0.001	12/01/19	12/01/28
	140,448	04/01/19	04/01/19	£	0.001	04/01/20	04/01/29
	733,698	04/01/19	04/01/19	£	0.70	04/01/20	04/01/29
	31,000	01/04/20	01/04/20	£	0.36	01/04/21	01/04/30
	179,785	01/07/20	01/07/20	£	1.35	01/07/21	01/07/30
	379,788	01/07/21	01/07/21	£	0.51	01/07/22	01/07/31
Total	*9,697,533*						
Elliott Sigal (2)	519,481	16/03/15	16/03/16	£	0.50	16/03/16	16/03/25
	24,596	11/05/15	11/05/15	£	1.82	11/05/15	11/05/25
	184,562	11/08/16	11/08/16	£	0.97	11/08/17	11/08/26
	220,788	03/07/17	03/07/17	£	0.58	03/07/18	03/07/27
	154,809	22/06/18	22/06/18	£	1.65	22/06/19	22/06/28
	234,407	02/07/19	02/07/19	£	0.48	02/07/20	02/07/29
	184,258	01/07/20	01/07/20	£	1.35	01/07/21	01/07/30
	474,385	01/07/21	01/07/21	£	0.51	01/07/22	01/07/31
Total	*1,997,286*						
Tal Zaks (3)	288,000	29/11/16	29/11/16	£	0.65	29/11/17	29/11/26
	144,000	03/07/17	03/07/17	£	0.58	03/07/18	03/07/27
	124,000	22/06/18	22/06/18	£	1.65	22/06/19	22/06/28
	124,000	02/07/19	02/07/19	£	0.48	02/07/20	02/07/29
	144,000	01/07/20	01/07/20	£	1.35	01/07/21	01/07/30
	379,788	01/07/21	01/07/21	£	0.51	01/07/22	01/07/31
Total	*1,203,788*						

Notes to table of Directors' Equity-based Awards Held at 31 December 2021

(1) All share options awarded to Directors that were outstanding as at 31 December 2021 use time-based vesting and are not subject to performance targets other than continued service until the date of vesting.

(2) 519,481 options granted to Lawrence Alleva and 519,481 options granted to Dr Elliott Sigal vested and became exercisable as follows: 25% on the first anniversary of the grant date and 75% in monthly instalments over the following three years. All options granted to Non-Executive Directors on 11 May 2015 vested and became exercisable on 11 May 2015. All options granted to Non-Executive Directors on 11 August 2016 vested and became exercisable on 11 August 2017. All options granted to Non-Executive Directors on 3 July 2017 vested and became exercisable on 3 July 2018. All options granted to Non-Executive Directors on 22 June 2018 vested and became exercisable on 22 June 2019. All options granted to Non-Executive Directors on 2 July 2019 vested and became exercisable on 2 July 2020. All options granted to Non-Executive Directors on 1 July 2020 vested and became exercisable on 1 July 2021. All options granted to Non-Executive Directors on 1 July 2021 vest and become exercisable on 1 July 2022.

(3) 332,776 options granted to Barbara Duncan and 288,000 options granted to Tal Zaks were awarded on appointment as new Directors, and vested and became exercisable as follows: 25% on the first anniversary of the grant date and 75% in monthly instalments over the following two years. 284,233 options granted to John Furey were awarded on his appointment as a new Director in July 2018, and vested and became exercisable as follows: 25% on the first anniversary of the grant date and 75% in monthly instalments over the following two years.

(4) All options granted to James Noble on 20 March 2015 were granted as replacement options in exchange for options formerly held over Ordinary shares of Adaptimmune Limited. Generally, these replacement options vested and became exercisable as follows: 25% on the first anniversary of the grant date of the original options and 75% in monthly instalments over the following three years.

The closing market price of our ADSs on 31 December 2021 was $3.75. One ADS represents six Ordinary shares.

Payments Made to Past Directors

During the year ended 31 December 2021, we made no payments to former Directors of the Company.

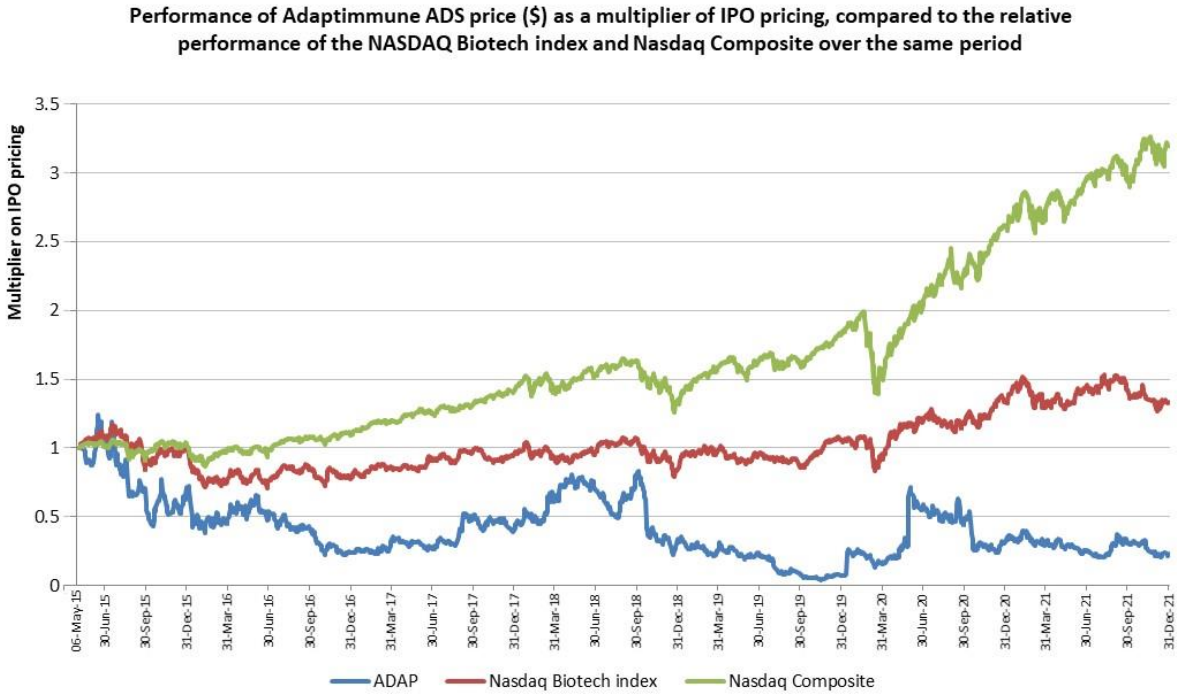
Payments for Loss of Office

During the year ended 31 December 2021, we made no payments with respect to a Director's loss of office.

The information provided in this part of the Directors' Remuneration Report is not subject to audit.

Illustration of Total Shareholder Return

The following graph compares the cumulative total shareholder return on our ADSs, each representing six Ordinary shares, with that of the Nasdaq Biotech Index and the Nasdaq Composite Index for the period that our shares were publicly traded, which commenced on 6 May 2015. We selected the Nasdaq Biotech Index because our ADSs trade on The Nasdaq Global Select Market and we believe this indicates our relative performance against a group consisting of more similarly situated companies.



Chief Executive Officer Total Remuneration History

The table below sets out total remuneration details for the Chief Executive Officer for each of the years since the year ended 31 December 2015, the first year for which information is available. For the purpose of this table, payments made in pounds sterling to James Noble in relation to 2015 to 2018 have been translated into U.S dollars based on the U.S. dollar/pound sterling exchange rate at 31 December 2021 ($1.34973 to £1).

Period	Single total figure of remuneration $ (1)	Annual bonus payout against maximum opportunity (2)	Long term incentive vesting rates against maximum opportunity (3)
Year ended 31 December 2021:	1,756,695	57 %	100 %
Year ended 31 December 2020:	1,401,252	66 %	100 %
Year ended 31 December 2019:	512,423	35 %	100 %
Year ended 31 December 2018:	861,606	47 %	100 %
Year ended 31 December 2017:	826,831	45 %	100 %
Year ended 31 December 2016:	553,859	50 %	100 %
Year ended 31 December 2015:	697,416	100 %	100 %

(1) The Single Total Figure of Remuneration for each year includes the annual bonus payment for performance in that year. For the year ended 31 December 2019, the table sets out total remuneration details for Adrian Rawcliffe, for whom the Single total figure of remuneration includes pro-rated amounts for salary, benefits and pension on the basis of four months service as CEO during the year (from 1 September 2019 to 31 December 2019).

(2) The bonus payout percentage amount for each year relates to the total annual bonus payment for performance in that year. In 2017 to 2021, the maximum opportunity was an annual bonus payment of up to 100% of salary. In 2016, the maximum opportunity was an annual bonus payment of up to 50% of salary. In 2015, the maximum opportunity was an annual bonus payment of up to £200,000 ($269,946) on achievement of the Company's IPO and other milestones. Each maximum opportunity was in line with the relevant Directors' Remuneration Policy relating to that year.

(3) The amount shown represents the percentage of the options that actually vested during the period expressed as a percentage of the maximum number of options that could have vested during the period. There were no performance obligations linked to these equity-based awards, other than service obligations, and therefore, all options that could have vested during the period have vested.

Chief Executive Officer's Remuneration Compared to Other Employees

The Chief Executive Officer's average fixed salary of $617,050 for the year ended 31 December 2021 was 5.7 times the value of the average fixed salary of the Group's employees for such period. His average fixed salary of $574,000 for the year ended 31 December 2020 was 5.7 times the value of the average fixed salary of the Group's employees for that period.

The following table shows the percentage change in remuneration of the Chief Executive Officer in comparison to the percentage change in remuneration of an employee between the year ended 31 December 2021 and the year ended 31 December 2020.

Percentage change in remuneration in the year ended 31 December 2021 compared with remuneration in the year ended 31 December 2020

	CEO (1)	Average change per employee (2)
Base salary	7.5 %	9.0 %
Annual bonus	(7.2)%	(16.6)%
Taxable benefits	27.0 %	21.7 % (3)

(1) The base salary change for the CEO is calculated in relation to the base salary for Adrian Rawcliffe for 2021 ($617,050) and compared to the base salary for Adrian Rawcliffe for 2020 ($574,000). The annual bonus amount for each of the year ended 31 December 2021 and the year ended 31 December 2020 represents the total bonus payment.

(2) The average change per employee is calculated in relation to an average number of 463 FTE employees for the year ended 31 December 2021 compared to an average of 394 FTE employees for the year ended 31 December 2020.

(3) Taxable benefits for the CEO and for employees comprise small amounts and, therefore, any change may generate a significant percentage decrease or increase. For the year ended 31 December 2021, the CEO's benefits were based on the benefits for Adrian Rawcliffe ($24,941) and compared to the benefits for Adrian Rawcliffe for the year ended 31 December 2020 ($19,566). The percentage change is largely driven by the cost of health insurance in the USA where Mr Rawcliffe is resident.

Non-Executive Directors Remuneration Compared to Other Employees

Our remuneration arrangements for Non-Executive Directors comprise an award of a fixed number of share options, plus an additional number of share options or fee payment at the Director's annual election, which is compliant with our last-approved Directors' Remuneration policy.

As a result of their annual elections, David Mott, Lawrence Alleva, Ali Behbahani and Elliot Sigal did not receive a fee payment during each of the year ended 31 December 2021 and the year ended 31 December 2020 and John Furey did not receive a fee payment during the year ended 31 December 2020. In addition, Giles Kerr stood down as a director at the Annual General Meeting on 29 May 2020 when his fee payment ceased. Therefore, it is not possible to show a percentage change in the remuneration for these Non-Executive Directors and for Mr Kerr compared to the percentage change in remuneration of an employee between the year ended 31 December 2021 and the year ended 31 December 2020.

The following table shows the percentage change in remuneration for each of Barbara Duncan, James Noble and Tal Zaks in comparison to the percentage change in remuneration of an employee between the year ended 31 December 2021 and the year ended 31 December 2020.

Percentage change in remuneration in the year ended 31 December 2021 compared with remuneration in the year ended 31 December 2020

	Barbara Duncan (1)	James Noble (2)	Tal Zaks (3)	Average change per employee (4)
Fees and base salary	0.0 %	(88.2)%	0.0 %	9.0 %
Annual bonus	— %	— %	— %	(16.6)%
Taxable benefits	— %	(100.0)%	— %	21.7 %

(1) The fee change for Barbara Duncan is calculated in relation to her fees for 2021 ($50,000) and compared to her fees for 2020 ($50,000).

(2) The fee and base salary change for James Noble is calculated in relation to his Non-Executive Director fees for 2021 ($19,552), which is a pro-rated amount based on his election to be paid fees for the period from 1 July to 31 December 2021, and compared to an amount of $165,132 for 2020, which consists of the aggregate of a pro-rated amount of his base salary for the period from 1 January to 31 March 2020 ($154,249) and a pro-rated amount of his Non-Executive Director fees for the period from 1 April to 30 June 2020 ($10,883). Mr Noble waived all fees and equity awards for his service as a Non-Executive Director for the period from 1 September 2019 to 31 March 2020. Mr Noble served his nine month notice period as CEO and continued to be eligible to receive his salary and benefits, which ceased on 31 March 2020. Mr Noble became eligible for our Non-Executive Director compensation package effective from 1 April 2020. Mr Noble was not eligible for a bonus payment for the year ended 31 December 2020 or subsequently. For the year ended 31 December 2020, Mr Noble's benefits were based on a pro-rated amount of his benefits for the period from 1 January to 31 March 2020 ($2,293). Mr Noble ceased to be eligible for benefits on 31 March 2020.

(3) The fee change for Tal Zaks is calculated in relation to his fees for 2021 ($47,500) and compared to his fees for 2020 ($47,500).

(4) The average change per employee is calculated in relation to an average number of 463 FTE employees for the year ended 31 December 2021 compared to an average of 394 FTE employees for the year ended 31 December 2020.

Chief Executive Officer's Pay Ratio

The table below sets out the CEO's pay ratio at the 25th, median and 75th percentile employee within the organisation. The Group used Option A as defined in The Companies (Miscellaneous Reporting) Regulations 2018, as this calculation methodology for the ratios was considered to be the most accurate method. The 25th, median and 75th percentile pay ratios were calculated using the full-time equivalent ("FTE") remuneration for all UK employees as at 31 December 2021. The CEO pay ratio legislation allows the exclusion of an element of pay and it was deemed appropriate to exclude the value of

share options from the FTE remuneration calculations for UK employees because it proved to be overly onerous to generate the relevant data. The value of share options was included in the CEO remuneration and the impact is to increase the CEO remuneration amount by $748,985 or 42.64%.

Employees' involvement in the Group's performance is encouraged, with all employees eligible to participate in the discretionary bonus plan and share option schemes. The Group aims to provide a competitive remuneration package which is appropriate to promote the long term success of the Group and to apply this policy fairly and consistently to attract and motivate staff. The Group considers the median pay ratio to be consistent with the Group's wider policies on employee pay, reward and progression.

Financial Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	Option A	31:1	24:1	17:1

Pay details for the individuals are set out below:

2021	CEO	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Salary ($)	617,050	49,319	61,681	91,782
Total Remuneration ($)	1,756,695	56,890	71,895	102,651

Relative Importance of Spend on Pay

The following table sets forth the total amounts spent by the Company and its direct and indirect subsidiaries on remuneration for the year ended 31 December 2021 and the year ended 31 December 2020. Given that the Group remains in the early phases of its business life cycle, the comparator chosen to reflect the relative importance of the Group's spend on pay is the Group's research and development expenses as shown in its consolidated income statement on page 74 of its Annual Report and Financial Statements for the year ended 31 December 2021.

Period:	Year ended 31 December 2021	Year ended 31 December 2020
Total spend on remuneration (1):	$ 86,134,000	$ 67,482,000
Research and development expenses:	$ 139,799,000	$ 110,377,000

(1) The total spend on remuneration includes the value of equity-based awards as recognised in the financial statements in accordance with International Financial Reporting Standard 2 "Share-Based Payments".

Executive Director Remuneration for the year ending 31 December 2022

Salary

In 2021, the Committee engaged Willis Towers Watson as independent advisors to benchmark executive compensation, to ensure that it remains competitive for the purposes of retention and engagement. Willis Towers Watson benchmarked

executive compensation against a selected peer group consisting largely of comparable U.S.-listed biopharmaceutical companies, with some U.K.-listed biopharmaceutical companies, and to provide recommendations for base salaries, equity based awards and the structure of bonus incentive awards for 2022.

As a result of this benchmarking exercise, our CEO and senior executive officers received increased base salaries at levels that remain compliant with the last approved Directors' Remuneration Policy. For our CEO, this resulted in a base salary of $650,000 effective from 1 January 2022.

Annual bonus

For the year ending 31 December 2022, the CEO is eligible for a target bonus award of 60% of his base salary of $650,000 (that is, $390,000), subject to the achievement of objectives. These are linked to our business strategies, which include: progressing two T-cell therapies towards commercialization; progressing two cell therapies into later clinical phase; progressing five new autologous cell therapies into the clinic within five years; continuing to develop 'off-the-shelf' cell immunotherapies; continuing to improve our manufacturing and patient supply processes to optimise how we deliver our cell therapies to patients; and expanding our intellectual property portfolio.

It is anticipated that the Board will meet in December 2022 to assess the performance of the CEO for the year ending 31 December 2022 against the objectives.

The Board has considered whether it would be in the best interests of the Company and its shareholders to disclose the precise targets agreed for the performance measures in 2022. An additional consideration is that most of our competitors are based in the U.S. where market practice is not to disclose precise annual bonus targets for biotechnology companies at the pre-commercialization stage. As the specific objectives for a single year are based on the Group's long-term strategies, the Board has concluded that disclosing such targets would necessarily involve divulging competitively sensitive information that we believe would be detrimental to our commercial performance going forward and, therefore, we are providing the categories of objectives, rather than the precise targets.

Long-term incentives

During January 2022, awards of share options were made to our CEO and other Senior Executive Officers. These awards were within market competitive levels provided by Willis Towers Watson, following their benchmarking assessment of equity awards made to executive teams in a peer group of comparable U.S. and U.K. listed biopharmaceutical companies, with a priority focus on U.S. companies, and were also within the principles of the last approved Directors' Remuneration Policy. These awards were disclosed on Form 4s submitted to the Securities and Exchange Commission on 13 January 2022.

The Remuneration Committee

The Remuneration Committee is comprised of Mr Mott (Chairman), Mr Furey and Dr Zaks. All members have continued to serve until the date of this Report on Remuneration. The charter of the Committee is set forth on our website at http://www.adaptimmune.com

Advice Provided to the Remuneration Committee

The Committee retained Willis Towers Watson to provide independent advice and consultation with respect to remuneration arrangements for the CEO (being our sole Executive Director) and senior management. Willis Towers Watson is a global remuneration consultant with a well-established reputation for the design and implementation of remuneration programmes, including the design and implementation of equity-based incentive programmes. The Committee also sourced certain market research data reports from Radford remuneration consultants. In the year ended 31 December 2021, the amounts paid to Willis Towers Watson totalled $144,312 and the amounts paid to Radford totalled $6,500.

In addition to Willis Towers Watson and Radford, the Committee solicited and received input from the CEO concerning the remuneration of senior executives other than himself. The CEO provided recommendations with respect to annual cash bonuses to be paid to these persons for service in the year ended 31 December 2021 and base salaries effective from 1 January 2022 and with respect to equity-based awards made to these persons in January 2022. Finally, the CEO also provided input to the Committee regarding the implementation of equity-based remuneration as an element of all other employees' remuneration.

Statement of Voting Results

Voting at our shareholder meetings has generally been conducted by a show of hands by shareholders who are in attendance at the meeting. At the Annual General Meeting held on 14 May 2021, all of the resolutions set out in the Notice of the Annual General Meeting sent to shareholders were duly proposed and passed by unanimous approval, including the resolution proposing the approval of the Directors' Remuneration Report for the year ended 31 December 2020 and the resolution proposing the approval of Directors' Remuneration Policy to apply effective from the end of that Annual General meeting. No votes were withheld.

Details of the proxy votes received in relation to the resolution proposing the approval of the Directors' Remuneration Report for the year ended 31 December 2020, and in relation to the resolution proposing the approval of the Directors' Remuneration Policy were as follows:

Resolution	Votes For	% of Total	Votes Against	% of Total	Votes Withheld	% of Total
To approve the Directors' Remuneration Report	662,549,600	99.72	1,878,588	0.28	338,376	0.05
To approve the Directors' Remuneration Policy	661,140,212	99.50	3,293,250	0.50	333,102	0.05

Statement of Implementation of Remuneration Policy in the Year ended 31 December 2021

There have been no changes to the Directors' Remuneration Policy, as approved at the Annual General Meeting of shareholders held on 14 May 2021. In 2021, the Company adhered to the policy as approved. In 2022, the Company intends to adhere to the policy as approved. That remuneration policy remains effective for a maximum of three years, until 13 May 2024, or until a revised policy is approved by shareholders. The last approved remuneration policy can be found in the Annual Report and Financial Statements of the Company for the year ended 31 December 2020, which is available in the Investors section of our website: http://www.adaptimmune.com

PART II - DIRECTORS' REMUNERATION POLICY

The information provided in this part of the Directors' Remuneration Report is not subject to audit.

We have set forth below a summary of the remuneration policy for the Executive Directors and for our Non-Executive Directors.

The Directors' Remuneration Policy was approved at the Annual General Meeting held on 14 May 2021 and remains effective for a maximum of three years, until 13 May 2024, or until a revised policy is approved by shareholders. The last approved remuneration policy can also be found in the Annual Report and Financial Statements of the Company for the year ended 31 December 2020, which is available in the Investors section of our website: http://www.adaptimmune.com

Summary of remuneration policy – Executive Directors

As Adaptimmune Therapeutics plc is a U.K. incorporated company listed on Nasdaq, the Group has operations in the U.K. and the U.S., our senior executives and our Non-Executive Directors live and work in the U.K. and the U.S., the Committee considers it appropriate to examine and be informed by compensation practices in both the U.K. and U.S., particularly in the matter of equity-based incentives, with an increasing focus on U.S. benchmarks and practices. The Committee considers that the last approved Directors' Remuneration Policy continues to be appropriate and fit for purpose, but the Committee is committed to reviewing the remuneration policy on an ongoing basis in order to ensure that it remains effective and competitive.

The Directors' Remuneration Policy is used to determine the remuneration for our CEO, our sole Executive Director, as well as for our other senior executives, and would also apply to other Executive Directors and senior executives that we appointed.

As described in the last approved Directors' Remuneration Policy, the elements of remuneration for the Executive Director(s) and Senior Executives comprise: base salary, pension or pension allowance payment, benefits (currently, access to death-in-service life insurance, family private medical cover and ill-health income protection), annual bonus and long term equity incentives (currently, share option awards).

The remuneration of our CEO is determined by the Board after having considered recommendations from the Committee. The remuneration of other senior executives in the Company, excluding our CEO, (the "Senior Executives") is determined by the Committee. For ease of reference, the following tables generally refer throughout to remuneration being determined by the Committee.

In 2021, the Committee retained an independent remuneration consultant, Willis Towers Watson, to assist the Committee in ensuring that our remuneration arrangements for the Executive Director and senior executives are competitive for the calendar year commencing 1 January 2022. Willis Towers Watson provided data from comparable publicly traded biopharmaceutical companies and otherwise assisted the Committee in its design of competitive remuneration for the Executive Director and senior executives. We expect to continue to use remuneration consultants to assist the Committee in determining competitive levels of executive remuneration and specific design elements of our remuneration programme.

The following tables present the elements of remuneration for our CEO (our sole Executive Director) and our other senior executives.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
Base salary	Rewards skills and experience and provides the basis for a competitive remuneration package.	Salaries will be reviewed annually by reference to: (i) market practice and market data on which the Committee receives independent advice; (ii) the individuals' experience and scope of the role; (iii) broader employee increases and (iv) rates of inflation. Salaries will be benchmarked against comparable roles in a selected peer group of US- and European-listed biopharmaceutical companies with similar market capitalisations and/or scale of operational complexity. We typically expect to align salaries with the 50th percentile of peer group comparator data but may vary from this general rule where we consider that special circumstances apply or where recruitment or retention of a particular role is required. The Committee may also decide to approve future increases following changes to job responsibilities or to reflect experience within the role.	Salaries will not generally exceed the 75th percentile of peer group comparator data for the relevant role unless there is a clear business rationale to do so. The Committee will reference alternative data for roles not widely represented in the core peer group. The Committee retains discretion to adjust the Executive Directors' base salaries to ensure that we can attract and retain the necessary talent to effectively compete in the global marketplace.	Not applicable.
Pension	Enables Executive Directors to build long-term retirement savings.	Company contribution to a personal pension scheme or a pension allowance payment, at the election of the Executive Director. Levels will be reviewed annually and the Committee may decide to increase future contribution levels should the review indicate such a change is appropriate.	6% of basic salary.	Not applicable.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
Benefits	Protects against risks and provides other benefits in line with market practice.	Benefits currently include death-in-service life insurance, family private medical cover and ill-health income protection. The Committee will review benefits offered from time to time and retains the discretion to add or substitute benefits to ensure they remain market competitive. In the event that the Group requires an Executive Director to relocate, we would offer appropriate relocation assistance.	Not applicable.	Not applicable.
Annual Bonus	Rewards achievement of the near-term business objectives set at the start of each calendar year and reflects individual and team performance of the Executive Director and other Senior Executives in achieving those objectives, and progress towards achieving our strategic goals.	Objectives are set at the start of each calendar year. The choice of annual performance objectives will reflect the Committee's assessment of the key milestones/metrics required to be achieved within the calendar year in order to make progress towards achieving our strategic goals. The target annual cash bonus for our Executive Directors will be established as a percentage of base salary. The annual bonus is payable in cash after award. When business opportunities or challenges change substantially during the course of the year, the Committee may adjust objectives to meet the changed circumstances and correspondingly realign potential rewards.	Awards will normally be limited to a maximum of 100% of basic salary. In exceptional periods, considered to be those years in which achievements lead to a transformational effect on the future prospects or the valuation of the business, the annual maximum may increase to up to 150% of basic salary. Judgement as to whether achievements in a calendar year are considered to be exceptional is at the discretion of the Committee.	The Committee retains the ability to set performance objectives annually. These objectives can be group-based and /or individual, financial and/ or non-financial, and are likely to include milestones linked to: • successful execution of key elements of pipeline development programmes; • progress with clinical trials programmes;

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
				• key regulatory steps (IND grants, regulatory approvals); • progress with business development activities; • the Group's financial position and equity liquidity and valuation. A number of these objectives are considered to be commercially sensitive and are therefore not disclosed here in detail.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
Long term equity incentives	Motivates and rewards multi-year performance, encouraging achievement of strategy over the medium to long term. Aligns the interests of our Executive Directors and Senior Executives with those of our shareholders. Encourages retention as entitlement to full benefits arising from equity-based awards only accrues over a period of years. Enables us to compete with equity-based remuneration offered by a set of comparable companies with whom we may compete for executive talent.	Under our share option schemes, the Committee is able to grant awards of CSOP options in the UK, and unapproved share options (non-qualifying options) in the UK and US, which includes the ability to grant RSU-style awards. All awards may be subject to performance targets. The Committee generally grants equity-based remuneration to Executive Directors and Senior Executives at the time they commence employment and from time to time thereafter based on performance. The Committee is able to grant share options which permit phased vesting over the period. Currently, awards vest over a period of four years, with the first 25% vesting after 12 months.	There is no fixed annual maximum limit to the size or value of equity-based compensation awards made in a year to Executive Directors and Senior Executives, or in the aggregate over a period of years. However, the Committee will always work within benchmarking guidelines provided by our compensation consultants. Additionally, our option scheme rules set a maximum limit on the grant of options to all participants of 8% of our initial issued share capital on the date of our IPO increased by 4% on each 30 June to be effective from 1 July 2016. Expected values are calculated in accordance with generally accepted methodologies based on Black-Scholes models.	Generally, we grant equity-based remuneration awards that vest over time without specific performance targets other than continued service. When making awards, the Committee considers: the size and value of past awards; the performance of the Executive Director or Senior Executive; and competitive data on awards made to executives at comparable companies. Our Severance Policy entitles the Executive Director and Senior Executives to accelerated vesting of options on termination without cause on a change of control.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
			We seek to establish equity-based remuneration to be reasonably competitive to that offered by a set of comparable companies with whom we may compete for executive talent.	Additionally, the Board has discretion to accelerate vesting of options including in connection with a change of control event or when an Executive Director's service is terminated on account of disability or death. *See Policy on Payments for Loss of Office.*

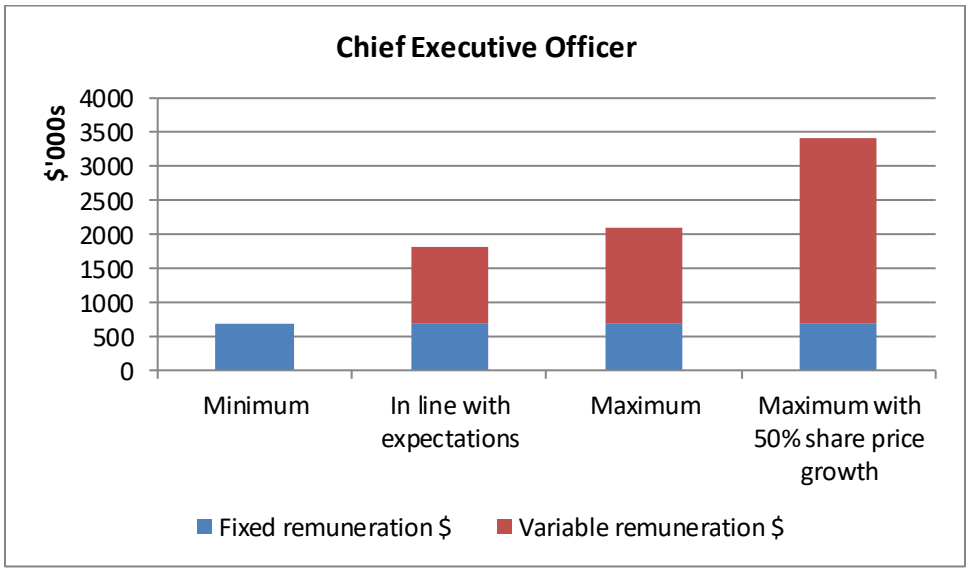
Notes to policy tables

(1) The use of time-based vesting for share option awards is consistent with U.S. practice, to which we look for guidance on our policies. We examine, with assistance from Willis Towers Watson, our independent remuneration consultant, comparative data on both a (i) fair market value basis and (ii) percentage of salary basis. The Committee uses a blend of the two methods to establish appropriate levels of equity-based remuneration for the Executive Director and Senior Executives.

Application of the Remuneration Policy to Executive Director Remuneration for the year ending 31 December 2022

The following table provides an illustration of the potential remuneration for the year ending 31 December 2022 for the CEO, as the sole Executive Director, computed in accordance with the Remuneration Policy outlined above and by applying the following assumptions:

Minimum	The base salary for the Executive Director is assumed to be the base salary of $650,000 per annum effective from 1 January 2022.
	The value of benefits receivable for the year ending 31 December 2022 is assumed to be the same rates of contributions for a 401(k) plan (pension) and for benefits as for 2021.
	No bonus is assumed for the Executive Director. The value of the equity-based awards is assumed to be zero.
In line with expectations	The same components for base salary and benefits as reflected for the minimum above.
	The expected level of bonus is taken to be 60% of base salary, being the target level of bonus payment for the year ending 31 December 2022. The value of the equity-based awards is assumed to be the intrinsic value (based on the market value of the underlying shares at the grant date less the exercise price) of the share options granted to the Executive Director during the year ended 31 December 2021.
Maximum	The same components for base salary and benefits as reflected for the minimum above.
	The maximum level of bonus is taken to be 100% of current base salary. The same value for the equity-based awards as for the "In line with expectations" scenario above.
Maximum plus 50% increase	The same components for base salary, benefits and bonus as reflected for the maximum above.
	The value of the equity-based awards is assumed to be the intrinsic value calculated as above, but based on an assumption that the underlying shares granted have increased in value by 50% since the grant date.



Service Contracts

It is Group policy that Executive Directors should have contracts with an indefinite term providing for a maximum of up to 12 months' notice. We employed James Noble, formerly our CEO and our sole Executive Director, on a service agreement providing for termination, other than for cause, upon nine months' advance notice by either the Company or the CEO.

We expect that service agreements with future Executive Directors who are resident in the UK will have comparable provisions to the service agreement for Mr Noble. This would mean that, on termination of the service contract without cause, we have the right to require the Executive Director to take garden leave for all or part of the notice period (the remaining term of the contract) and we have the right to pay salary and benefits in lieu of notice. During the period of any garden leave, the Executive Director must continue to be available to the Company and would continue to receive his or her full salary and other contractual entitlements. The Company may terminate the Executive Director's employment with immediate effect in certain circumstances including bankruptcy, criminal convictions, gross misconduct or serious or repeated breaches of obligations of his or her service. In the event of termination of the Executive Director for cause, we are not obligated to make any payment in lieu of notice. The Executive Director would be required to resign his or her position as a Director if the Board required a resignation in conjunction with the end of the employment relationship. The service agreement would contain non-solicitation and non-competition provisions for a 12 month period as well as confidentiality provisions.

We currently employ Adrian Rawcliffe, our CEO and sole Executive Director who is resident in the USA, on an at-will employment agreement. The Company may terminate Mr Rawcliffe's employment with or without cause and without advance notice, but Mr Rawcliffe is required to provide at least 60 days' advance written notice to the Company if he is terminating his employment. In the event of a termination of employment by the Company without cause or a resignation by Mr Rawcliffe for good reason, upon a change of control, any portion of share option awards that were granted and unvested as of the date of termination will vest and immediately become exercisable on the date of termination. Mr Rawcliffe will also be entitled to payments under the Company's executive severance policy in the event of a termination by the Company without cause or a resignation by Mr Rawcliffe for good reason without a change of control and upon a change of control. The CEO is required to resign his position as a Director if the Board requires a resignation in conjunction with the end of the employment relationship. The agreement contains non-solicitation and non-competition provisions for a 12 month period as well as confidentiality provisions. We expect that service contracts with future Executive Directors who are resident in the USA will have comparable provisions.

In connection with Mr Noble's transition from his CEO role to a Non-Executive Director role effective from 1 September 2019, the Company and Mr Noble entered into a letter agreement in June 2019 relating to the transition, and entered into a variation agreement in June 2019 that operated to vary Mr Noble's service agreement for the period from 1 September 2019 to 31 March 2020. The letter and related variation agreement covered, amongst other things, vesting of share options and other general terms of Mr Noble's employment during this transition period. In particular, the letter and related variation agreement provided that Mr Noble remained eligible for a bonus payment in respect of the year ended 31 December 2019, subject to the application of the 2019 company performance multiplier, and was eligible to continue to receive his base salary and benefits during his notice period of nine months which ended on 31 March 2020. Mr Noble waived all fees and equity awards for his service as a Non-Executive Director for the period from 1 September 2019 to 31 March 2020. In addition, the letter and related variation agreement provided that Mr Noble was entitled to have a 12 month period, effective from the date when he ceases to be connected with the Company, in which to exercise his vested share options as at 31 March 2020. Those share options which had not vested as at 31 March 2020 were surrendered for no consideration and cancelled.

Copies of the agreements with Mr Rawcliffe and Mr Noble were filed with the Securities and Exchange Commission on 27 June 2019.

Policy on Payments for Loss of Office

Our approach to payments in the event of termination of an Executive Director is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of the long-term incentive plans in which the Executive Director participates.

As previously reported in our approved Directors' Remuneration Report for the year ended 31 December 2016, and subsequent reports, during March 2017, the Company entered into an amended service agreement with our Executive Director (then James Noble) and adopted an executive severance policy that is applicable to our Executive Director and senior executive officers on termination other than for cause.

In June 2019, the Company, through its subsidiary, Adaptimmune LLC, entered into an employment agreement with our current Executive Director (Adrian Rawcliffe) in connection with his appointment as CEO effective from 1 September 2019. The amended service agreement with James Noble, the employment agreement with Adrian Rawcliffe and the executive severance policy are compliant with the approved Directors' Remuneration Policy that was applicable at that date and our last approved Directors' Remuneration Policy. In particular, all employment arrangements for any Executive Director(s) will continue to include a notice provision, except that the Company will not be obligated to provide any advance notice in relation to the termination of employment of any Executive Director(s) resident in the USA, and continuing payment obligations for not more than a maximum period of one year following our termination of an Executive Director other than for cause. Payment obligations would include base salary, bonus and benefits. In the event of termination without cause following a change of control, the Executive Director is entitled to accelerated vesting of any unvested and outstanding equity awards. In addition, the Board has discretion under our option scheme rules to allow some or all of the options held by our Executive Director and senior executives to vest in the event of a change of control or otherwise.

In order to receive severance benefits under the employment agreement and executive severance policy, the Executive Director is required to execute a release of claims in favour of the Company and comply with certain other post-employment covenants set forth in his employment agreement.

We will comply with applicable disclosure and reporting requirements of the Securities and Exchange Commission with respect to remuneration arrangements with a departing Executive Director.

Policy on Recruitment Arrangements

Our policy is to pay a fair remuneration package for the role being undertaken and the experience of the individual to be appointed. We expect remuneration packages will include base salary, targeted level of annual cash incentive, initial and ongoing equity-based awards, standard benefits and special provisions tailored to the recruiting situation, such as: sign-on bonus, reasonable relocation support and make-whole awards for remuneration forfeited from a prior employer (whether on account of cash bonuses, share awards, pension benefits or other forfeited items).

The Board retains the discretion to provide additional benefits where necessary or useful to recruit new Executive Directors or to secure the ongoing service of existing Executive Directors.

If we appoint an existing employee as an Executive Director of the Company, we would expect to retain legacy obligations to the employee with respect to remuneration, such as outstanding share awards. Should these differ materially from current arrangements, these will be disclosed in the next Directors' Remuneration Report following such appointment. We will also disclose remuneration details for a new Executive Director in accordance with applicable reporting requirements of the Securities and Exchange Commission.

Summary of remuneration policy – Non-Executive Directors

Under the last approved Directors' Remuneration policy, the Board has discretion to pay fees to any or all Non-Executive Directors and/or to pay Non-Executive Directors in the form of a mixture of cash and share options. Our remuneration arrangements for Non-Executive Directors continue to comprise an award of a fixed number of share options, plus an additional number of share options or cash payment at the Director's election. The option awards and cash payments made in 2021 were established at competitive levels taking into account peer data from comparable companies provided in a benchmarking analysis undertaken by Willis Towers Watson in 2021 and are compliant with the last approved Directors' Remuneration policy.

The Committee has retained Willis Towers Watson to assist the Committee in ensuring that our remuneration arrangements for the Non-Executive Directors are competitive and appropriate by benchmarking them against comparable publicly traded biopharmaceutical companies, with an increasing focus on U.S. benchmarks and practices. We expect to continue to use remuneration consultants to assist the Committee in determining competitive levels of Non-Executive Director remuneration and specific design elements of our Non-Executive Director remuneration programme.

Our Non-Executive Directors participate in the Group's long-term incentive plans on terms similar to those used for Executive Directors. In accordance with their Letters of Appointment, each Non-Executive Director is entitled to receive an annual award of share options and incoming Non-Executive Directors receive an initial award of share options, and in either scenario which may include RSU-style awards, with such number to be determined by the Board. In determining option awards, the Board works within benchmarking guidelines provided by remuneration consultants.

Any share options that are awarded will not be subject to performance conditions.

Our Non-Executive Directors do not receive any pension from the Company nor do they participate in any performance-related incentive plans.

The following table presents the elements of remuneration for Non-Executive Directors.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum
Non-Executive fees	Reflects time commitments and responsibilities of each role. Reflects fees paid by similarly sized companies.	The remuneration of the Non-Executive Directors will be determined by the Board as a whole by reference to market practice and market data, on which the Committee receives independent advice, and reflects individual experience, scope of the role, time commitment and changes to responsibilities. We typically expect to align fees with the 50th percentile of peer group comparator data but may vary from this general rule where we consider that special circumstances apply or where recruitment or retention of a particular role is required. Fees will typically consist of a basic fee for Non-Executive Director responsibilities plus incremental fees for additional	The value of each individual's aggregate fees will not exceed the 75th percentile of peer group comparator data for the relevant role.

		roles/responsibilities such as chairmanship of Board committees and a senior independent Non-Executive Director role. The Non-Executive Directors may elect to receive the fees in cash or in the form of an award of additional share options. The Non-Executive Directors do not receive any pension from the Company, nor do they participate in any performance-related incentive plans.	
Long term equity incentives	For public companies listed in the United States, equity-based remuneration is a standard component of Director remuneration. We extend equity-based awards to our Non-Executive Directors in order to be competitive with comparable companies seeking qualified Directors and to align the interests of our Non-Executive Directors with those of our shareholders.	Non-Executive Directors participate in the Group's long-term incentive plans on terms similar to those used for Executive Directors. Under their appointment letters, each Non-Executive Director is entitled to receive an annual award of options, provided that he or she continues to serve as a Director. When a new Non-Executive Director is appointed, he or she may receive an initial award of options. In either scenario, these may include RSU-style awards. The Board is able to grant share options which permit phased vesting over the period. Currently, options awarded to new Directors become fully exercisable over three years while options awarded annually are exercisable on the first anniversary of the date of grant. Any share options awarded will not be subject to performance conditions. Expected values are calculated in accordance with generally accepted methodologies based on Black-Scholes models.	Not applicable. The option awards will be determined by the Board as a whole working within benchmarking guidelines provided by our compensation consultants. Additionally, our option scheme rules set a maximum limit on the grant of options to all participants of 8% of our initial issued share capital on the date of our IPO increased by 4% on each 30 June effective from 1 July 2016.

Letters of Appointment

The Chairman and all other Non-Executive Directors have letters of appointment which set out the terms under which they provide their services to the Company and which are subject to a three month notice period either by the Company or the Non-Executive Director. Their remuneration is reviewed by the Board annually. In accordance with the Company's Articles of Association, Non-Executive Directors are included in the requirement that one-third of Directors are subject to retirement by rotation at each Annual General Meeting of shareholders. There is no remuneration payable on loss of office when, for example, a Director is not re-elected at an Annual General Meeting.

Statement of Consideration of Employment Conditions and Differences to the Executive Director Policy

During 2021, none of our employees in the UK were subject to furlough and there were no unusual reductions in our global workforce.

All our employees are paid a base salary and receive standard employee benefits, which vary according to whether they are employed in the UK or in the US but all are entitled to a contribution from the Group towards a pension scheme or retirement plan, as well as access to health insurance and income protection.

All employees are eligible to be considered for an annual increase in their base salaries, provided they have worked for a sufficient portion of the prior fiscal year. In addition, all employees are eligible to be considered for target annual cash bonus awards, subject to the achievement of objectives and to the overall performance of the Company, and for consideration for regular option awards. Eligibility is dependent on the employee's position and performance, with more senior employees eligible for higher bonus and option award levels.

No specific consultation with employees has been undertaken in respect of the design of the Company's senior executive remuneration policy to date although the Committee will keep this under review.

Statement of Consideration of Shareholder Views

This policy for remuneration of both Executive Directors and Non-Executive Directors was devised by a Remuneration Committee of which all members are Non-Executive Directors. The policy was also approved by the full Board.

Approval

This report was approved by the Board of Directors on 29 March 2022 and signed on its behalf by:

David M Mott
Director and Chairman of the Remuneration Committee

30 March 2022

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that the law and as permitted by the NASDAQ the directors have elected to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and they have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and Parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, a Directors' Report and a Directors' Remuneration Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

1 Our opinion is unmodified

We have audited the financial statements of Adaptimmune Therapeutics Plc ("the Company") for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Statement of Other Comprehensive Loss, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	*Our response*
Evaluation of estimation of costs to complete for Astellas collaboration agreement Please refer to page 82 and 89-90 for accounting policy and page 94 - 99 for Note 2 Revenue.	**High risk, low value** **Subjective estimate** (Risk vs 2020 ▲) As discussed in Note 2, for research and development activities carried out under the Astellas collaboration agreement, the directors recognise revenue using an estimate of the percentage of completion of the project based on the costs incurred on the project as a percentage of the total expected costs. This determination requires the Group to estimate cost-to-complete, which is done at every reporting period based on the latest project plan and discussions with project teams. We identified the evaluation of estimation of costs to complete for the	We evaluated and tested the design and the operating effectiveness of certain internal controls related to the revenue process, including controls related to the initial development and periodic reassessment of estimates of costs to complete projects. We determined we could rely on these controls for the purposes of our audit. Our procedures included: • **Accounting analysis:** Assessing the directors' assumptions underlying the estimate of total contract costs to be incurred and comparing them to similar research and development projects carried out by the Group. • **Historical comparisons:** Compared the directors' estimate of total contract costs

	Astellas collaboration agreement as a key audit matter. A high degree of auditor judgement was involved in assessing the appropriateness of the costs to complete estimated by the Group. There is significant estimation involved in the budgets and forecasts that drive the inputs method of revenue recognition where revenue is recognised over time, as well as these forecasts being complex in nature. The effect of these matters is that, as part of our risk assessment, we determined that the costs to complete of the Astellas agreement have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	to be incurred to the actual costs incurred. • **Tests of details**: Comparing a selection of costs incurred to date to timesheet data or third-party costs • **Personnel interviews**: Corroborating reasonableness of assumptions with individuals in the technical teams including progress to date, the estimate of remaining costs to be incurred, and factors impacting the cost to complete in the contract. **Third party evidence:** Inspecting the minutes of Joint Steering Committee meetings between the Group and Astellas or its other customers to evaluate factors impacting costs to complete.
Recoverability of the parent Company's investment in subsidiary and of the amounts owed by Group entities Investments: 2021 net amount $87.22 million (2020 net amount $104.4 million) Amounts due from Group entities: 2021: $ 451.556 million (2020: $384.1 million) Please refer to pages 83 and 86-88 (accounting policy) and pages 106-107 (financial disclosure).	**Low risk, high value** **Subjective estimate** (Risk vs 2020 ◄►) The carrying amount of the parent Company's investment in subsidiaries and amounts owed by Group entities are significant and at risk of being irrecoverable. There is a risk that the carrying amount of investments and amounts owed may become impaired if forecast financial performance or other events are not in line with expectations. The specific risk factors are successful regulatory approvals for clinical candidates, commercialisation of cell therapies or the inability to manufacture the cell therapies in the highly complex regulated market. The amounts of the investments and amounts owed by Group entities represent 10% (2020: 12%) and 54% (2020: 46%) respectively of the parent Company's total assets. Their recoverability is not at a high risk of significant misstatement but is subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements, these are considered to be the areas that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: **Tests of detail**: Comparing the aggregate of the carrying amount of the investment and amounts owed by Group entities to the market capitalisation of the parent company as at 31 December 2021, as well as performing a recalculation of the impairment of the parent company's investment in subsidiary and amounts owed to group undertakings The market capitalisation is an approximation of the recoverable amount of the aggregation of the investment, amounts owed by Group entities, and the parent Company's other assets whose value are close to their carrying amount. • **Assessing transparency:** Assessing the adequacy of the parent Company's disclosures in respect of the expected credit loss on the loans to subsidiaries. • Assessing the adequacy of the disclosure on the key judgements relating to the parent Company's assessment of the impairment of the investments in subsidiaries.

We continue to perform procedures over the allocation of transaction price to the performance obligations of collaboration agreements. However, as there were no material relevant impacts from collaboration agreements in the current year we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3 Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at $6.37m (2020: $5.7m), determined with reference to a benchmark of loss before tax of $187.123m (2020: $150.3m), of which it represents 3.4% (2020: 3.8%).

Materiality for the parent Company financial statements as a whole was set at $2.09m for the year ended 31 December 2021 (2020: $1.99m) determined with reference to a benchmark of total assets of $485.221m (2020: $461.963m), of which it represents 0.43% (2020: 0.43%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the Group and parent Company was set at 65% (2020: 65%) of materiality for the financial statements as a whole, which equates to $4.14m (2020: $3.7m) for the Group and $1.35m (2020: $1.29m) for the parent Company. We applied this percentage in our determination of performance materiality based on a number of control deficiencies identified and the level of turnover of key financial reporting personnel in the current period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $0.32m (2020: $0.29m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group's three (2020: three) reporting components were subject to full scope audits for Group reporting purposes. The work on these three components (2020: three components), including the audit of the parent Company, was performed by the Group team.

The components within the scope of our work accounted for 100% of Group revenue, loss before tax and total assets.

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

4 Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and parent Company's available financial resources over this period were:

- underperformance against management's forecast budget for FY22;
- delays in cash inflows; and
- the impact of COVID-19.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note 1 (d) to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1(d) to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, in-house legal teams and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, disclosure committee, AGM, remuneration committee and nominating committee minutes.
- Considering remuneration incentive schemes and performance targets of management personnel and directors.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account recent revisions to guidance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. The engagement team identified various significant deficiencies as part of the year end audit which have been included in our consideration of the above risk and our response thereto. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group is in its pre-commercialisation phase of operations.

We did not identify any additional fraud risks.

In determining the audit procedures, we considered the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts, those posted by users who post infrequently, journals affecting expenses we would expect to be reduced in light of COVID-19, those where postings are in unusual accounting combinations and those with key words in their description.
- Evaluating the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Group's license to operate.

We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and clinical trial law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any, recognising the nature of the Group's activities. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report
Based solely on our work on the other information:
- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report
In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 66, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

W. Smith .

William Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
2 Forbury Place, 33 Forbury Road, Reading, RG1 3AD
30 March 2022

For the year ended 31 December	*Note*	**2021**	2020
		$'000	$'000
Revenue	*2*	**6,149**	3,958
Research & development expenses		**(139,799)**	(110,377)
Administrative expenses		**(54,663)**	(47,273)
Other income	*3*	**2,336**	1,364
		(192,126)	(156,286)
Operating loss	*4*	**(185,977)**	(152,328)
Finance income	*7*	**1,095**	3,701
Finance expense	*7*	**(2,241)**	(1,679)
Loss before tax		**(187,123)**	(150,306)
Taxation credit	*8*	**33,108**	19,064
Loss for the period		**(154,015)**	(131,242)
Basic and diluted loss per share	*1*	**(0.16)**	(0.15)
Weighted average number of shares used to calculate basic and diluted loss per share	*1*	**934,833,017**	854,783,763

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE LOSS

For the year ended 31 December	**2021**	2020
	$'000	$'000
Loss for the period	**(154,015)**	(131,242)
Other comprehensive loss for the period, net of income tax		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign exchange translation differences	**(723)**	(2,832)
Net change in fair value of financial assets at fair value through OCI	**(467)**	72
Total other comprehensive loss for the period	**(1,190)**	(2,760)
Total comprehensive loss for the period	**(155,205)**	(134,002)

All of the above figures relate to continuing operations.

The notes on pages 80 to 122 form part of these financial statements.

As of year ended 31 December	*Note*	2021 $'000	2020 $'000
Assets			
Non-current assets			
Property, plant & equipment	*9*	**30,494**	27,778
Right-of-use lease assets	*10*	**20,858**	17,672
Intangibles	*11*	**13,422**	13,759
Clinical materials		**499**	—
Restricted cash	*13*	**1,718**	4,602
Total non-current assets		**66,991**	63,811
Current assets			
Other current assets	*14*	**17,125**	9,211
Trade and other receivables	*15*	**752**	139
Tax receivable		**30,773**	20,585
Financial assets at fair value through other comprehensive income	*16, 22*	**219,632**	311,335
Cash and cash equivalents	*17*	**149,948**	56,882
Total current assets		**418,230**	398,152
Total assets		**485,221**	461,963
Equity & liabilities			
Equity			
Share capital	*18*	**1,337**	1,325
Share premium	*18*	**725,210**	721,934
Other reserve	*18*	**131,013**	131,013
Accumulated other comprehensive income	*18*	**(18,056)**	(16,866)
Retained losses		**(619,458)**	(485,357)
Total Equity		**220,046**	352,049
Non-Current liabilities			
Trade and other payables	*19*	**673**	644
Deferred revenue	*2*	**177,223**	49,260
Lease liability	*10*	**24,421**	20,938
Total Non-Current liabilities		**202,317**	70,842
Current liabilities			
Trade and other payables	*20*	**38,023**	33,467
Deferred revenue	*2*	**22,199**	2,832
Lease liability	*10*	**2,636**	2,773
Provisions	*21*	**—**	—
Total current liabilities		**62,858**	39,072
Total equity & liabilities		**485,221**	461,963

The notes on pages 80 to 122 form part of these Financial Statements. The financial statements on pages 74 to 122 were approved by the Board of Directors on 29 March 2022 and are signed on its behalf by:

Adrian Rawcliffe
Director

30 March 2022

As of year ended 31 December	*Note*	2021	2020
		$'000	$'000
Assets			
Non-current assets			
Investments and loans in subsidiaries *	*12*	**306,528**	488,469
Total non-current assets		**306,528**	488,469
Current assets			
Other current assets	*14*	**1,099**	757
Trade and other receivables	*15*	**7,753**	13,682
Financial assets at fair value through other comprehensive income	*16*	**219,632**	311,335
Cash and cash equivalents		**52,055**	24,904
Total current assets		**280,539**	350,678
Total assets		**587,067**	839,147
Equity & liabilities			
Equity			
Share capital	*18*	**1,337**	1,325
Share premium	*18*	**725,210**	721,934
Other reserves	*18*	**79,990**	79,990
Accumulated other comprehensive income		**(357)**	110
Retained earnings		**(221,041)**	33,521
Total Equity		**585,139**	836,880
Current liabilities			
Trade and other payables	*20*	**1,928**	2,267
Total equity & liabilities		**587,067**	839,147

During the current year the parent company has adopted the balance sheet format set out in the Companies Act (see note 1(f)).

The Company's loss for the year was $274,476,000 (2020: Profit of $290,413,000).

The notes on pages 80 to 122 form part of these Financial Statements.

The financial statements on pages 74 to 122 were approved by the Board of Directors on 29 March 2022 and are signed on its behalf by:

Adrian Rawcliffe
Director

30 March 2022

	Share Capital	Share Premium	Other reserve	Exchange reserve	Fair value reserves	Retained Losses	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2020	943	382,265	131,013	(14,144)	38	(365,976)	134,139
Total comprehensive loss for the year:							
Loss for the year	—	—	—	—	—	(131,242)	(131,242)
Other comprehensive income for the year	—	—	—	(2,832)	72	—	(2,760)
Transactions with owners, recorded directly in equity:							
Issuance of shares in the January Offering	165	78,451	—	—	—	—	78,616
Issuance of shares upon exercise of the overallotment for the January Offering	24	11,914	—	—	—	—	11,938
Issuance of shares in the June Offering	155	209,831	—	—	—	—	209,986
Issuance of shares upon exercise of the overallotment for the June Offering	24	33,824	—	—	—	—	33,848
Issuance of common stock upon exercise of options	14	5,649	—	—	—	—	5,663
Equity-settled share based payment expense	—	—	—	—	—	11,861	11,861
Balance at 31 December 2020 and at 1 January 2021	**1,325**	**721,934**	**131,013**	**(16,976)**	**110**	**(485,357)**	**352,049**
Total comprehensive loss for the year:							
Loss for the year	—	—	—	—	—	(154,015)	(154,015)
Other comprehensive loss for the year	—	—	—	(723)	(467)	—	(1,190)
Transactions with owners, recorded directly in equity:							
Issuance of shares under At The Market sales agreement, net of expenses	4	2,525	—	—	—	—	2,529
Issuance of common stock upon exercise of options	8	751	—	—	—	—	759
Equity-settled share based payment expense	—	—	—	—	—	19,914	19,914
Balance at 31 December 2021	**1,337**	**725,210**	**131,013**	**(17,699)**	**(357)**	**(619,458)**	**220,046**

The notes on pages 80 to 122 form part of these Financial Statements

	Share Capital	Share Premium	Other Reserve	Fair value reserves	Retained Earnings	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2020	943	382,265	79,990	38	(268,753)	194,483
Total comprehensive loss for the year:						
Profit for the year	—	—	—	—	290,413	290,413
Other comprehensive income for the period	—	—	—	72	—	72
Transactions with owners, recorded directly in equity:						
Issuance of shares in the January Offering	165	78,451	—	—	—	78,616
Issuance of shares upon exercise of the overallotment for the January Offering	24	11,914	—	—	—	11,938
Issuance of shares in the June Offering	155	209,831	—	—	—	209,986
Issuance of shares upon exercise of the overallotment for the June Offering	24	33,824	—	—	—	33,848
Issuance of common stock upon exercise of options	14	5,649	—	—	—	5,663
Equity-settled share based payment expense	—	—	—	—	11,861	11,861
Balance at 31 December 2020 and at 1 January 2021	**1,325**	**721,934**	**79,990**	**110**	**33,521**	**836,880**
Balance at 1 January 2021	1,325	721,934	79,990	110	33,521	836,880
Total comprehensive loss for the year:						
Loss for the year	—	—	—	—	(274,476)	(274,476)
Other comprehensive loss for the period	—	—	—	(467)	—	(467)
Transactions with owners, recorded directly in equity:						
Issuance of shares under the At The Market program, net of expenses	4	2,525	—	—	—	2,529
Issuance of common stock upon exercise of options	8	751	—	—	—	759
Equity-settled share based payment expense	—	—	—	—	19,914	19,914
Balance at 31 December 2021	**1,337**	**725,210**	**79,990**	**(357)**	**(221,041)**	**585,139**

The notes on pages 80 to 122 form part of these Financial Statements.

For the year ended 31 December	*Note*	2021 $'000	2020 $'000
Cash flows from operating activities			
Loss for the year before tax		**(187,123)**	(150,306)
Adjustments for:			
Depreciation	*9*	**5,630**	6,627
Amortisation	*11*	**937**	967
Equity-settled share based payment expense	*24*	**19,914**	11,861
Net finance (income) expense	*7*	**1,146**	(2,022)
Other		**990**	(3)
Changes in:			
(Increase) decrease in other current and other non-current assets		**(13,154)**	2,331
(Increase) decrease in trade and other receivables		**(499)**	2,458
Increase (decrease) in trade and other payables		**6,869**	5,659
Increase (decrease) in deferred revenue		**149,785**	47,973
Cash used in operations		**(15,505)**	(74,455)
Net taxes received		**23,131**	18,655
Interest element of lease payments		**(1,701)**	(1,679)
Interest received		**7,765**	6,115
Net cash from (used in) operating activities		**13,690**	(51,364)
Cash flows from investing activities			
Acquisition of property, plant & equipment		**(8,574)**	(2,341)
Acquisition of intangibles		**(707)**	(565)
Reduction in restricted cash		**2,884**	—
Investment in financial assets at fair value through OCI		**(139,762)**	(381,040)
Maturity of financial assets at fair value through OCI		**224,343**	105,022
Net cash from (used in) investing activities		**78,184**	(278,924)
Net cash (used in) from financing activities			
Proceeds from issuance of shares in the January Offering		**—**	78,616
Proceeds from issuance of shares upon exercise of the overallotment for the January Offering		**—**	11,938
Proceeds from issuance of shares in the June Offering		**—**	209,986
Proceeds from issuance of shares upon exercise of the overallotment for the June Offering		**—**	33,848
Proceeds from issuance of shares, net of commissions and issuance costs		**2,529**	—
Proceeds from exercise of share options		**759**	5,663
Principal element of lease payments		**(2,471)**	(2,090)
Net cash from financing activities		**817**	337,961
Net increase in cash and cash equivalents		**92,691**	7,673
Effect of movements in exchange rates on cash held		**375**	(1,203)
Cash and cash equivalents at start of year		**56,882**	50,412
Cash and cash equivalents at year end		**149,948**	56,882

The notes on pages 80 to 122 form part of these Financial Statements

1. ACCOUNTING POLICIES

(a) Domicile

Adaptimmune Therapeutics plc is registered in England and Wales. Its registered office is 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX.

The Group and its subsidiaries (the "Group") are a clinical-stage biopharmaceutical group focused on novel cancer immunotherapy products based on its T-cell receptor platform. It has developed a comprehensive proprietary platform that enables it to identify cancer targets, find and genetically engineer T-cell receptors, or TCRs, and produce TCR therapeutic candidates for administration to patients. The Group engineers TCRs to increase their affinity to cancer specific peptides in order to destroy cancer cells in patients.

The Group is subject to a number of risks similar to other biopharmaceutical companies in the early stage, including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical programmes or clinical trials, the need to obtain marketing approval for its TCR therapeutic candidates, competitors developing new technological innovations, the need to successfully commercialise and gain market acceptance of the Group's TCR therapeutic candidates, and protection of proprietary technology. If the Group does not successfully commercialise any of its TCR therapeutic candidates, it will be unable to generate product revenue or achieve profitability. As at 31 December 2021, the Group had retained losses of approximately $619.5 million.

(b) Statement of Compliance

The consolidated financial statements have been prepared and approved by the Directors in accordance with applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

The separate financial statements of the Company are drawn up in accordance with the Companies Act 2006 and Financial Reporting Standard 101. On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement, cash flow statement and related notes that form a part of these approved financial statements. The Company has also taken FRS 101 exemptions from: disclosing transactions with wholly owned subsidiaries; disclosures in respect of capital management; disclosures in respect of the compensation of Key Management Personnel; disclosure of share-based payment information required under IFRS 2; financial instrument disclosures under IFRS 7; and, certain fair value measurement disclosures required under IFRS 13.

(c) Basis of Preparation

The financial statements have been prepared on the historical cost basis except as required by the accounting standards. The consolidated financial statements of Adaptimmune Therapeutics plc and its subsidiaries as set out in Note 12, and the financial statements for Adaptimmune Therapeutics plc included herein are for the years ended 31 December 2021 and 2020.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Group's financial position, including its cash flows and liquidity position, are fully described in the consolidated financial statements. As of 31 December 2021, the Group had cash and cash equivalents of $149.9 million, marketable securities of $219.6 million, and stockholders' equity of $220.0 million.

1. ACCOUNTING POLICIES (continued)

(d) Going Concern Basis of Preparation

The spread of COVID-19 has impacted the global economy and has impacted the Group's operations, including the interruption of preclinical and clinical trial activities. The Group has continued its research and development activities and dosing of patients through 2020. The Group continues to assess the impact COVID-19 may have on its ability to advance the development of drug candidates or to raise financing to support the development of drug candidates, but no assurances can be given that this analysis will enable it to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally or in its sector in particular.

During the year ended 31 December 2021, the Group incurred a net loss of $154.0 million, provided cash of $13.7 million from its operating activities – which included an upfront $150 million receipt under the Strategic Collaboration and License Agreement with Genentech, Inc. and F. Hoffman-La Roche Ltd - and generated revenues of $6.1 million. The Group has incurred net losses in most periods since inception, and it expects to incur operating losses in future periods.

The Group devotes substantially all of its resources to research and development efforts relating to its cell therapies. The Group's operations are financed primarily through sales of equity securities, cash receipts under our collaboration and license agreements and research and development tax and expenditure credits. The Group does not have any products approved for sale and has not generated any revenue from product supplies or royalties. Based on the current plans, the Group does not expect to generate product or royalty revenues unless and until it obtains marketing approval for, and commercialises, any of its SPEAR T-cells or other cell therapies.

In assessing the going concern assumptions, the Board has undertaken a rigorous assessment of the forecasts of the Group for a period of 12 months from the date of signing the financial statements. The assessment included consideration of the downside risks including a number of severe but plausible scenarios incorporating underperformance against the business plan, the effects of COVID-19 and delays in cash inflows. The net forecast cash outflows in those forecasts have then been considered against the cash, cash equivalents and marketable securities currently available to fund our operations

Having reviewed cash flow forecasts for at least the 12 month period following the date of signing the financial statements, and the continued progress of the development activities the Directors have a reasonable expectation that the Group and the parent Company have adequate resources to continue in operational existence for a period of not less than 12 months from the signing of these financial statements. Additional future funding beyond that currently available to the Group is likely be required in order to complete planned development activities and to reach commercialisation of any products that reach that phase. Based on the continued progress of these development activities, the directors remain confident that sufficient appropriate funding will be available from future working capital inflows or equity funding, though there can be no certainty that this will be the case.

(e) Critical accounting policies and significant judgements and estimates

The Group has prepared its consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The preparation of these consolidated financial statements requires the Group to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, expenses and related disclosures at the date of the consolidated financial statements, as well as revenue and expenses during the reporting periods. The Group evaluates its estimates and judgments on an ongoing basis. It bases estimates on historical experience and on various other factors that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from these estimates under different assumptions or conditions.

While the Group's significant accounting policies are described in more detail below, the following accounting policies are considered to be critical to the judgments and estimates used in the preparation of our financial statements:

1. ACCOUNTING POLICIES (continued)

(e) Critical accounting policies and significant Judgements and estimates (continued)

Estimation:

- The allocation of the transaction price using the relative standalone selling price,
- The determination of cost to complete; and
- The incremental borrowing rate.

Judgements:

- Impairments of investments and loans in subsidiaries, and
- Recognition of deferred tax assets.

These sources of estimation uncertainty and judgements are described further below.

Revenue Recognition

Allocation of transaction price using the relative standalone selling price

Upfront payments are allocated between performance obligations using our best estimate of the relative standalone selling price of the performance obligation. The relative standalone selling price is estimated by determining the market values of development and license obligations. As these inputs are not directly observable, the estimate is determined considering all reasonably available information including internal pricing objectives used in negotiating the contract, together with internal data regarding the cost and margin of providing services for each deliverable, taking into account the different stage of development of each development program and adjusted-market data from comparable arrangements. This assessment involves significant judgment and could have a significant impact on the amount and timing of revenue recognition.

Determination of the cost to complete

Revenue allocated to performance obligations relating to provision of development activities is recognized using an estimate of the percentage of completion of the project based on the costs incurred on the project as a percentage of the total expected costs. The determination of the percentage of completion requires management to estimate the costs-to-complete the project. A detailed estimate of the costs-to-complete is re-assessed every reporting period based on the latest project plan and discussions with project teams. If a change in facts or circumstances occurs, the estimate will be adjusted and the revenue will be recognized based on the revised estimate. The difference between the cumulative revenue recognized based on the previous estimate and the revenue recognized based on the revised estimate would be recognized as an adjustment to revenue in the period in which the change in estimate occurs. Determining the estimate of the cost-to-complete requires significant judgment and may have a significant impact on the amount and timing of revenue recognition. However, a 10% change in the cost-to-complete at 31 December 2021, would not have a significant impact on revenue recognized in the year ended 31 December 2021.

1. ACCOUNTING POLICIES (continued)

(e) Critical accounting policies and significant Judgements and estimates (continued)

Operating Leases (Incremental Borrowing Rate)

Since the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rates (the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment) based on the information available at commencement date in determining the discount rate used to calculate the present value of lease payments. As we have no external borrowings, the incremental borrowing rates are determined using information on indicative borrowing rates that would be available to us based on the value, currency and borrowing term provided by financial institutions, adjusted for company and market specific factors.

Although we do not expect our estimates of the incremental borrowing rates to generate material differences within a reasonable range of sensitivities, judgement is involved in selecting an appropriate rate, and the rate selected for each lease will have an impact on the value of the lease liability and corresponding right-of-use (ROU) asset in the Consolidated Balance Sheets.

Impairments of investments and loans in subsidiaries

The Company has assessed the Investment and loans in subsidiaries for impairment at 31 December 2020 and 31 December 2021. The loans in subsidiaries are financial assets held at amortised cost and the Company recognises loss allowances for expected credit losses on loans to subsidiaries at an amount equal to lifetime expected credit losses. Investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

At 31 December 2020, as a result of progress in research and development activities and the Group entering into the Astellas Collaboration Agreement, a reversal of impairment had been recognised in respect of both the Investments in subsidiaries and Loans to subsidiaries, after considering both future probability adjusted cashflows and market capitalization.

At 31 December 2021 a further impairment provision has been recognised to reflect a significant deterioration in market conditions in the XBI. See note 10 for further details.

Recognition of deferred taxation assets

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. This assessment includes estimating future taxable income, scheduling reversals of temporary differences, evaluating expectations of future profitability, determining refund potential in the event of net operating loss carrybacks, and evaluating potential tax-planning strategies

1. ACCOUNTING POLICIES (continued)

(e) Critical accounting policies and significant Judgements and estimates (continued)

Future realization of the tax benefit of a deferred tax asset depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carryback or carryforward period available under the tax law. The Group considers both positive and negative evidence regarding realization of the deferred tax assets and the subjectivity of this evidence. This assessment includes estimating future taxable income, scheduling reversals of temporary differences, evaluating expectations of future profitability, determining refund potential in the event of net operating loss carrybacks, and evaluating potential tax-planning strategies.

The Group has generated losses in the United Kingdom since inception and is forecasted to generate tax losses for the next several years and therefore the deferred tax assets arising in the United Kingdom are only recognized to the extent that reversing temporary taxable differences are available.

The U.S. subsidiary has generated taxable income since the fiscal year ended June 30, 2014 due to a Service Agreement between our U.S. and U.K. operating subsidiaries and is forecast to generate taxable income in future periods. In determining whether the deferred tax asset is more-likely-than-not of being recognised, the Group has taken into account the recent history of taxable profits, the forecast of future taxable income, including whether future originating temporary deductible differences are likely to be realised, and the reversal of temporary taxable deductions. Several of the temporary deductible differences reverse over a long time period, such as those relating to share-based compensation expense, which the Company forecasts are likely to reverse over the next five years. The Company considers that forecasting taxable income beyond the next few years is very subjective due to the nature and extent of the development process subcontracted from the Company in the United Kingdom to the U.S. subsidiary. Less weight has been given to forecasts of taxable income beyond the next few years.

The Group's analysis is subject to estimates and judgments particularly relating to the timing of the reversal of temporary deductible differences for stock compensation expense and the availability of future taxable income beyond the next few years, which depend on the nature and extent of the subcontract development work performed by the U.S. subsidiary.

The deferred tax asset arising in the United States is only considered more-likely-than-not of being realised to the extent that there are available reversing temporary taxable differences. As the Group believes that our cash and cash equivalents and marketable securities will be sufficient to fund our operations, based upon our currently anticipated research and development activities and planned capital spending, into early 2024, the Group considered the U.S. subsidiary's future taxable income over this period. Based on this assessment, the Group determined that the deductible temporary differences that the U.S. subsidiary will generate each year will be more than the amount of temporary differences or credits that can be utilised by positive pre-tax income. As such it is only more-likely-than-not that an immaterial amount of the current deferred tax asset in the U.S. subsidiary may be utilised. Therefore, the Group concluded not to recognise the deferred tax asset of the U.S. subsidiary.

(f) Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

1. ACCOUNTING POLICIES (continued)

(f) Basis of Consolidation (continued)

Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate in effect at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations are translated to the Group's presentational currency, US dollars, at foreign exchange rates in effect at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates in effect at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the exchange reserve.

Our UK subsidiary has an intercompany loan balance in US dollars payable to the ultimate parent company, Adaptimmune Therapeutics plc. Beginning on 1 July 2019, the intercompany loan was considered a net investment in a foreign operation as settlement is neither planned nor likely in the foreseeable future. It is Adaptimmune Therapeutics plc's intent not to request payment of the intercompany loan for the foreseeable future. The foreign exchange gain or losses arising on the revaluation of intercompany loans of a long-term investment nature are reported within the Consolidated Statement of other comprehensive (loss) income.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at their purchase cost, together with any incidental expenses of acquisition, less accumulated depreciation.

Depreciation is calculated so as to write off the cost of the assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. Depreciation is not charged on construction in progress until the asset is completed and ready for its intended use.

The following table shows the generally applicable expected useful economic life for each category of asset:

Computer equipment	3 to 5 years
Laboratory equipment	5 years
Office equipment	5 years
Leasehold improvements	the shorter of the estimated useful life and the expected duration of the lease

(h) Intangibles

Research and development

Expenditure on research activities is recognised in the income statement as incurred. Development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. When making this determination the Group considers:

1. ACCOUNTING POLICIES (continued)

(h) Intangibles (continued)

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits can be demonstrated;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation costs are recognised within Research & Development expenses and Administrative Expenses in the Consolidated Income statement.

If the development costs do not meet the criteria for capitalisation, the costs are recognised in the income statement as incurred.

The Group currently does not have any development projects which have met the above criteria.

Acquired in-process research and development

Acquired research and development intangible assets, which are still under development, such as-licensed or acquired compounds, are recognised as In-Process Research & Development (IPR&D). IPR&D assets are stated at their purchase cost, together with any incidental expenses of acquisition.

IPR&D assets are not amortized on the basis that they are not yet available for use. They are evaluated for potential impairment on an annual basis or when facts and circumstances warrant. Impairment charges are recorded in the Research & Development expenses in the Consolidated Income Statement.

Software licenses

Acquired computer software licences are capitalised as intangibles assets and stated at costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which is the contracted term of the licence, typically 36 months. Amortisation costs are recognised within Research & Development expenses and Administrative Expenses in the Consolidated Income statement.

(i) Investment in Subsidiaries

Investments in subsidiary undertakings are stated at cost less any impairment. Where management identify uncertainty over such investments, the investment is impaired to an estimate of its net realisable value.

1. ACCOUNTING POLICIES (continued)

(j) Clinical Materials and Provisions

Clinical materials with alternative use, which are not held for sale are capitalised as either other current assets or other non-current assets, depending on the timing of their expected consumption. At each reporting date, management considers whether the materials are impaired due to excess quantity over current forecast demand by considering manufacturing forecasts, forecasts of clinical trial enrolments, stability testing results, technological developments and future development programs. The Group also considers whether the unavoidable costs of meeting obligations for minimum purchase commitments exceed the economic benefits it expects to receive under the contract, and in such cases, a provision is recognised. As at 31 December 2021 and 2020, there is no provision for impairment of the Group's purchase commitments – see Note 21.

(k) Impairment of Non-financial Assets Excluding Inventories and Deferred Tax Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

(l) Financial Instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group's debt securities are held for collection of cash flows where those cash flow represent solely payments of principal and interest and to manage liquidity. The Group holds investments in debt securities, including corporate debt securities and money market funds. The debt securities are subsequently measured at fair value through OCI. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses).

1. ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

(iv) Impairment

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through OCI, and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit losses.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

For debt securities at fair value through OCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Details of loss allowances recognised relating to the Company's intercompany loan receivable are provided in Note 12.

Debt securities

Our investment in debt securities are subject to credit risk. The Group's investment policy limits investments to certain types of instruments, such as money market instruments and corporate debt securities, places restrictions on maturities and concentration by type and issuer and specifies the minimum credit ratings for all investments and the average credit quality of the portfolio. The debt securities have been determined to have a low credit risk at 31 December 2020 and 12-month expected credit losses are not material.

Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no material impairment loss was identified.

Trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances money market funds and marketable securities with a maturity at acquisition of less than three months.

1. ACCOUNTING POLICIES (continued)

(m) Fair value hierarchy

The Group is required to disclose information on all assets and liabilities reported at fair value that enables an assessment of the inputs used in determining the reported fair values. The fair value hierarchy prioritizes valuation inputs based on the observable nature of those inputs. The hierarchy defines three levels of valuation inputs:

Level 1 — Quoted prices in active markets for identical assets or liabilities

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — Unobservable inputs that reflect the Group's own assumptions about the assumptions market participants would use in pricing the asset or liability

The carrying amounts of the Group's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The fair value of financial assets at fair value through OCI, which are measured at fair value on a recurring basis is detailed in Note 22.

(n) Revenue

Revenue is recognized so as to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Variable consideration

The Group determines the variable consideration to be included in the transaction price by estimating the most likely amount that will be received and then applies a constraint to reduce the consideration to the amount which is probable of being received. The determination of whether a milestone is probable includes consideration of the following factors:

- whether achievement of a development milestone is highly susceptible to factors outside the entity's influence, such as milestones involving the judgment or actions of third parties, including regulatory bodies or the customer;
- whether the uncertainty about the achievement of the milestone is not expected to be resolved for a long period of time;
- whether the Company can reasonably predict that a milestone will be achieved based on previous experience; and.
- the complexity and inherent uncertainty underlying the achievement of the milestone.

1. ACCOUNTING POLICIES (continued)

(n) Revenue (continued)

Allocation of transaction price using the relative standalone selling price

Upfront payments are allocated between performance obligations using the Group's best estimate of the relative standalone selling price of the performance obligation. The relative standalone selling price is estimated by determining the market values of development and license obligations. As these inputs are not directly observable, the estimate is determined considering all reasonably available information including internal pricing objectives used in negotiating the contract, together with internal data regarding the cost and margin of providing services for each deliverable, taking into account the different stage of development of each development program and adjusted-market data from comparable arrangements. This assessment involves significant judgment and could have a significant impact on the amount and timing of revenue recognition.

Determination of the cost to complete

Revenue allocated to performance obligations relating to provision of development activities is recognized using an estimate of the percentage of completion of the project based on the costs incurred on the project as a percentage of the total expected costs. The determination of the percentage of completion requires management to estimate the costs-to-complete the project. A detailed estimate of the costs-to-complete is re-assessed every reporting period based on the latest project plan and discussions with project teams. If a change in facts or circumstances occurs, the estimate will be adjusted and the revenue will be recognized based on the revised estimate. The difference between the cumulative revenue recognised based on the previous estimate and the revenue recognized based on the revised estimate would be recognized as an adjustment to revenue in the period in which the change in estimate occurs. Determining the estimate of the cost-to-complete requires significant judgment and may have a significant impact on the amount and timing of revenue recognition.

Contract assets and liabilities

The Group recognizes a contract asset, when the value of satisfied (or part satisfied) performance obligations is in excess of the payment due to the Group, and deferred revenue (contract liability) when the amount of unconditional consideration is in excess of the value of satisfied (or part satisfied) performance obligations. Once a right to receive consideration is unconditional, that amount is presented as a receivable.

Changes in deferred revenue typically arise due to:

- adjustments arising from a change in the estimate of the cost to complete the project, which results in a cumulative catch-up adjustment to revenue that affects the corresponding contract asset or deferred revenue;
- a change in the estimate of the transaction price due to changes in the assessment of whether variable consideration is constrained because it is not considered highly probable of being received;
- the recognition of revenue arising from deferred revenue; and
- the reclassification of amounts to receivables when a right to consideration to becomes unconditional.

A change in the estimate of variable consideration constrained (for example, if a development milestone becomes highly probable of being received) could result in a significant change in the revenue recognized and deferred revenue.

1. ACCOUNTING POLICIES (continued)

(o) Leases

The Group determines whether an arrangement is a lease at contract inception by establishing whether the contract conveys the right to use, or control the use of, identified property, plant, or equipment for a period of time in exchange for consideration. The Group recognises a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use (ROU) assets and lease liabilities recognised in the Consolidated Statement of Financial Position represent the right to use an underlying asset for the lease term and an obligation to make lease payments arising from the lease respectively.

ROU assets and lease liabilities are recognised at the lease commencement date based on the present value of minimum lease payments over the lease term. Since the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rates (the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment) based on the information available at commencement date in determining the discount rate used to calculate the present value of lease payments. As the Group has no external borrowings, the incremental borrowing rates are determined using information on indicative borrowing rates that would be available to the Group based on the value, currency and borrowing term provided by financial institutions, adjusted for company and market specific factors. Although the Group does not expect estimates of the incremental borrowing rates to generate material differences within a reasonable range of sensitivities, judgement is involved in selecting an appropriate rate, and the rate selected for each lease will have an impact on the value of the lease liability and ROU assets in the consolidated statement of financial position.

The lease term is based on the non-cancellable period in the lease contract, and options to extend the lease are included when it is reasonably certain that the Group will exercise that option. Any termination fees are included in the calculation of the ROU asset and lease liability when it is assumed that the lease will be terminated.

The Group accounts for lease components (e.g. fixed payments including rent and termination costs) separately from non-lease components (e.g. common-area maintenance costs and service charges based on utilization) which are recognised over the period in which the obligation occurs.

At each reporting date, the lease liabilities are increased by interest and reduced by repayments made under the lease agreements.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group has leases in relation to property for office and research facilities. All of the leases have termination options, and it is assumed that the initial termination options for the buildings will be activated for most of these. The maximum lease term without activation of termination options is to 2041.

In May 2017, the Group entered into an agreement for the lease of a building at Milton Park, Oxfordshire, U.K and in February 2018 the Group entered into the lease for that facility. The term of the lease expires on 23 October 2041, with termination options exercisable by the Group in October 2031 and October 2036.

In September 2015, the Group entered into an agreement for a 25- year lease, with early termination options, for a research and development facility in Oxfordshire, U.K. In October 2016, the Group entered into the lease for that facility following the completion of construction.

1. ACCOUNTING POLICIES (continued)

(o) Leases (continued)

In July 2015, the Group entered into a 15 year lease agreement, with an early termination option at 123 months, for offices and research facilities in Philadelphia, U.S. The lease commenced upon completion of construction in October 2016.

In August 2021, the Group entered into a two year lease agreement for the lease of a building at Milton Park, Oxfordshire, United Kingdom. The term of the lease expires on 12 August 2023.

The Group has elected not to recognize a right-of-use asset and lease liability for short-term leases. A short-term lease is a lease with a lease term of 12 months or less and which does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

ROU depreciation costs are categorised within Research and development and General and administrative expenses in the Consolidated Income Statement. Interest costs on lease liabilities are categorised within Finance expense in the Consolidated Income Statement. In the Consolidated Statement of Cash Flows, interest payments are categorised within Cash flows from operating activities, and principal repayments are categorised within Cash flows from financing activities.

(p) Research and Development Expenditure

Research and development expenditure includes direct and indirect costs of these activities, including staff costs and materials, as well as external contracts. All such expenditure is expensed as incurred unless the capitalisation criteria of International Accounting Standard 38, 'Intangible Assets' have been satisfied.

(q) Pension Costs

The Group operates a defined contribution pension scheme for its executive directors and employees. The contributions to this scheme are expensed to the Income Statement as they fall due.

(r) Share-Based Payments

The Group operates equity-settled, share-based compensation plans. Certain employees of the Group are awarded options over the shares in the parent company. The fair value of the employee services received in exchange for these grants of options is recognised as an expense, using the Black-Scholes option-pricing model, with a corresponding increase in reserves. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted and assumptions about the number of options that are expected to vest. The Group has analysed historic forfeiture rates for share options and determined approximately 7% of options granted are not expected to vest due to forfeitures.

(s) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the current or prior years, using applicable tax rates for each jurisdiction.

Current tax includes tax credits form the U.K and U.S. taxing authorities, including the U.K. research and development tax credit regime applicable to small and medium sized companies (the "U.K. SME Tax Credit"), the U.S. Research Tax Credit and the U.S. Orphan Drug Credit. The tax credits for each period are estimated based on calculations that conform to the applicable tax regulations. Receipts under the U.K. R&D expenditure credit ("RDEC") scheme, which may be reimbursed and are similar in nature to grant income, are presented within other income.

1. ACCOUNTING POLICIES (continued)

s) Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. See 1(c) above for judgements regarding the recognition of deferred tax assets.

(t) Dividends

Dividends received from subsidiary undertakings are accounted for when received. Dividends paid are accounted for in the period when they are paid.

(u) Earnings per Share

Basic loss per share is determined by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is determined by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for the dilutive effect of all potential ordinary shares that were outstanding during the period. Potentially dilutive shares are excluded from the when the effect would be to increase diluted earnings per share or reduce diluted loss per share.

The following table reconciles the numerator and denominator in the basic and diluted loss per share computation (in thousands):

For the year ended 31 December	**2021**	2020
	$'000	$'000
Numerator for basic and diluted loss per share		
Loss for period	**(154,015)**	(131,242)
Loss attributable to shareholders used for basic and diluted EPS calculation	**(154,015)**	(131,242)
Denominator for basic and diluted loss per share		
Weighted average number of shares used to calculate basic and diluted loss per share	**934,833,017**	854,783,763

The effects of the following potentially dilutive equity instruments have been excluded from the diluted loss per share calculation because they would have an antidilutive effect on the loss per share for the period:

As of	**2021**	2020
Weighted average number of share options[(1)]	**114,915,438**	93,812,818

From 1 January 2022 through to 30 March 2022, the Group granted 22,876,464 options over ordinary shares with an exercise price determined by reference to the market value of an ADS at the date of grant, and 17,688,432 options over ordinary shares with an exercise price equal to the nominal value of the ordinary shares (£0.001 per share). These grants have not been included in the figures above.

1. ACCOUNTING POLICIES (continued)

(v) Segmental Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Group's chief operating decision maker (the "CODM"), its Chief Executive Officer, manages the Group's operations on an integrated basis for the purposes of allocating resources. When evaluating the Group's financial performance, the CODM reviews total revenues, total expenses and expenses by function and the CODM makes decisions using this information on a global basis. Accordingly, the Group has determined that it operates in one operating segment. The profit and loss for the Group's reportable segment is the same as the consolidated statement of operations and therefore has not been separately presented or reconciled. The segmental profit and loss is the same as the Consolidated income statement.

2 REVENUE & SEGMENTAL REPORTING

Group

The Company has three contracts with customers: a collaboration and license agreement with GSK, a collaboration agreement with Astellas and a strategic collaboration and license agreement with Genentech.

Revenue comprises the following categories:

For the year ended 31 December	2021	2020
	$'000	$'000
Development	**6,149**	3,958

Deferred revenue increased by $147,330,000 from $52,092,000 at January 1, 2021 to $199,422,000 at December 31, 2021 due to a $4.2 million milestone payment received under the GSK Collaboration and License Agreement and the upfront payment of $150 million received under the Genentech Collaboration and License Agreement in October.

As of 31 December 2020, there was deferred revenue of $52,092,000, of which $1,498,000 was recognized as revenue in the year ended 31 December 2021.

The Genentech Collaboration and License Agreement

On September 3, 2021, the Company entered into a Strategic Collaboration and License Agreement with Genentech, Inc. and F. Hoffman-La Roche Ltd, which became effective on October 19, 2021 upon expiry or termination of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Under the Agreement, Genentech and Adaptimmune (each, a "party" and together, the "parties") will collaborate to develop two types of allogeneic T-cell therapies: (i) "off-the-shelf" αβ T-cell therapies directed to initial collaboration targets, with Genentech having the right to designate additional collaboration targets, up to five collaboration targets in total, and (ii) personalised therapies utilizing αβ T-cell receptors (TCRs) isolated from a patient, with such therapies being administered to the same patient.

2 REVENUE & SEGMENTAL REPORTING (continued)

The Genentech Collaboration and License Agreement (continued)

The parties will collaborate to perform a research program, initially during an eight year period (which may be extended for up to two additional two year terms at Genentech's election upon payment of an extension fee for each two-year term), to develop the cell therapies, following which Genentech will determine whether to further develop and commercialise such therapies. Under the Agreement, Adaptimmune exclusively licenses Genentech certain intellectual property rights it controls to enable Genentech to research, develop, manufacture and commercialise (i) "off-the-shelf" T-cell therapies directed to the collaboration targets and (ii) personalised T-cell therapies developed within the scope of the Agreement, and Genentech is solely responsible for the clinical development and commercialization of any cell therapies arising from the collaboration. Adaptimmune will manufacture and supply cell therapies for Phase 1 trials of "off-the-shelf" T-cell therapies unless Genentech decides to assume responsibility for such manufacturing.

Under the Agreement, Adaptimmune is also subject to certain restrictions on its ability to further develop and commercialise certain cell therapies. In particular restrictions apply in relation to its ability to develop cell therapy products to nominated targets and to develop competing personalised cell therapies. This restriction does not prevent Adaptimmune from developing cell therapies to other targets or cell therapies containing different types of receptors.

Under the terms of the Agreement, Adaptimmune will receive $150 million as an upfront payment, which was received in the fourth quarter of 2021. Adaptimmune may also receive:

- $150 million in additional payments spread over a period of 5 years from the effective date of the Agreement, unless the agreement is earlier terminated;
- Research milestones of up to $50 million;
- Development milestones of up to $100 million in relation to the development of "off-the-shelf" T-cell therapies per collaboration target (unless Adaptimmune exercises its right to opt-in to receive a profit share) and up to $200 million in relation to the development of personalised T-cell therapies;
- Commercialization milestones of up to $1.1 billion for "off-the-shelf" T-cell therapies (unless Adaptimmune exercises its right to opt-in to receive a profit share and assuming "off-the-shelf" T-cell therapies are developed to 5 targets) and for personalised T-cell therapies; and
- Net sales milestones of up to $1.5 billion for "off-the-shelf" T-cell therapies (unless Adaptimmune exercises its right to opt-in to receive a profit share and assuming "off-the-shelf" T-cell therapies are developed to 5 targets) and for personalised T-cell therapies.

In addition, Adaptimmune will receive tiered royalties on net sales in the mid-single to low-double digits. Collaboration target designation fees apply if Genentech exercises its right to designate additional "off-the-shelf" collaboration targets up to a maximum of 5 targets.

Adaptimmune also has a right to opt-in to receive a profit share and to co-promote "off-the-shelf" T-cell therapies. If Adaptimmune elects to opt in, then Adaptimmune will be eligible to share 50 percent of profits and losses from U.S. sales on such products and to receive up to $800 million in ex-U.S. regulatory and sales-based milestone payments, as well as royalties on ex-U.S. net sales

The payments to the Company under the contract are typically due upon achievement of milestones, when rights are exercised by Genentech or on achievement of corresponding events for the additional payments, and within standard payment terms. The contract does not include a significant financing component.

2 REVENUE & SEGMENTAL REPORTING (continued)

The Genentech Collaboration and License Agreement (continued)

The parties can terminate the Agreement in the event of material breach or insolvency of the other party. Genentech is entitled to terminate the Agreement in its entirety, on a product-by-product basis or collaboration target by collaboration target basis on provision of 180 days notice. Either party may terminate the Agreement on written notice in the event that the US Federal Trade Commission or US Department of Justice seeks a preliminary injunction under applicable antitrust laws against the parties or where HSR clearance has not occurred within 180 days of the effective date of the Agreement. The Agreement became effective on October 19, 2021 upon expiry of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

The Genentech Collaboration and License Agreement has been accounted for in accordance with IFRS 15, *Revenue*. The Group determined that Genentech is a customer and has applied the provisions of IFRS 15 to the contract and related performance obligations. The Group identified the following performance obligations under the agreement: (i) research services and rights granted under the licenses for each of the initial 'off-the-shelf' collaboration targets, (ii) research services and rights granted under the licenses for the personalised therapies, (iii) material rights relating to the option to designate each of the additional 'off-the-shelf' collaboration targets and (iv) material rights relating to the two options to extend the research term. The Group began recognising revenue for the performance obligations relating to the initial 'off-the-shelf' collaboration targets and the personalised therapies in 2021.

The aggregate transaction price at inception of the agreement was $313.6 million comprising the $150 million upfront payment, $150 million of additional payments and $13.6 million of other consideration. The fees for extension of the research program, additional collaboration target designation fees, and future research, development and commercialization milestones are not considered probable as of December 31, 2021 and have not been included in the transaction price. The Group may also receive sales milestones and royalties for future sales of the therapies. These amounts have not been included within the transaction price as of December 31, 2021 because they are sales-based and would be recognized when the subsequent sales occur.

The aggregate transaction price is allocated to the performance obligations depending on the relative standalone selling price of the performance obligations. In determining the best estimate of the relative standalone selling price, the Group considered internal pricing objectives it used in negotiating the contract, together with internal data regarding the cost and margin of providing research services and market data from comparable arrangement.

The amount of the transaction price allocated to the performance obligation is recognized as or when the Group satisfies the performance obligation. The Group expects to satisfy the performance obligations relating to the initial 'off-the-shelf' collaboration targets and the personalised therapies as development progresses and recognizes revenue based on an estimate of the percentage of completion of the project determined based on the costs incurred on the project as a percentage of the total expected costs. The Group considers that this depicts the progress of the project, where the significant inputs would be internal project resources and third-party costs. The Group expects to satisfy the performance obligations relating to the material rights to designate additional 'off-the-shelf' collaboration targets from the point that the options are exercised and then as development progresses, in line with the initial 'off-the-shelf' collaboration targets, or at the point in time that the rights expire. The Group expects to satisfy the performance obligations relating to the material rights to extend the research term from the point that the options are exercised and then over period of the extension, or at the point in time that the rights expire.

The amount of the transaction price that is allocated to performance obligations that are unsatisfied or partially satisfied under the agreement as of December 31, 2021 was $310,368,000, of which $191,496,000 is allocated to the research services and rights granted for the initial 'off-the-shelf' collaboration targets, $99,079,000 is allocated to the research services and rights granted for the personalised therapies, $13,360,000 is allocated to the material rights to designate the additional 'off-the-shelf' collaboration targets, $5,146,000 is allocated to the material right for the first option to extend the research term and $1,287,000 is allocated to the material right for the option to extend the research term a second time

2 REVENUE & SEGMENTAL REPORTING (continued)

The Astellas Collaboration Agreement

On January 13, 2020, the Company entered into the Astellas Collaboration Agreement. The Company received $50,000,000 as a non-refundable upfront payment in January 2020 after entering into the agreement. Under the agreement the parties will agree on up to three targets and will co-develop T-cell therapies directed to those targets pursuant to an agreed research plan. For each target, Astellas will fund co-development up until completion of a Phase 1 trial for products directed to such target.

Upon successful completion of the Phase 1 trial for a product, Astellas and Adaptimmune will elect whether to progress with co-development and co-commercialization of such product, or to allow the other party to pursue the candidate independently. If the parties progress with co-development and co-commercialization of a product, then each party will grant the other party a co-exclusive license to co-develop and co-commercialise such product in the field of T-cell therapy. If a product is developed solely by one party, then the other party will grant to the continuing party an exclusive license to develop and commercialise such product in the field of T-cell therapy.

In June 2020, the parties nominated the target for the first collaboration program and the Company commenced development of this target under the agreement and began recognizing revenue for this performance obligation. In July 2021, the parties nominated the target for the second collaboration program and the Company commenced development of this target under the agreement and began recognizing revenue for this performance obligation.

In addition, Astellas was also granted the right to develop, independently of Adaptimmune, allogeneic T-cell therapy candidates directed to two targets selected by Astellas. Astellas will have sole rights to develop and commercialise products resulting from these two targets.

Under the terms of the agreement, Adaptimmune could be entitled to receive up to $847,500,000 in further payments, including:

- development milestones of up to $73,750,000 for each co-developed and co-commercialised product; and
- development milestones of up to $147,500,000 per product and up to $110,000,000 in sales milestones for products developed unilaterally by Astellas.

In addition, Adaptimmune is entitled to receive research funding of up to $7,500,000 per year on a per collaboration target basis, which is payable on a quarterly basis within standard payment terms, and tiered royalties on net sales in the mid-single to mid-teen digits.

To the extent that Astellas and Adaptimmune co-develop and co-commercialise any product, the parties would share equally all worldwide costs and profits.

Either party can terminate the agreement in the event of material breach or insolvency of the other party. Astellas can terminate the Agreement for convenience in its entirety or partly in relation to any targets and products directed to such targets. Adaptimmune can terminate the Agreement for convenience in relation to any target it is unilaterally developing and to products directed to such target.

The payments to the Company under the contract are typically billed as the development services are performed or are due on achievement of milestones and within standard payment terms. Management has determined that the contract does not include a significant financing component because (i) the timing of initiation of the programs, the right to obtain the services and the right to terminate the contract resides with Astellas and (ii) a substantial amount of the consideration promised by the customer is variable, and the amount or timing of that consideration varies on the basis of the occurrence or nonoccurrence of a future event that is not substantially within the control of the customer or the Company.

2 REVENUE & SEGMENTAL REPORTING (continued)

The Astellas Collaboration Agreement (continued)

The Astellas Collaboration Agreement has been accounted for in accordance with IFRS 15, *Revenue*. The Company identified the following performance obligations under the agreement: (i) research services and rights granted under the co-exclusive license for each of the three co-development targets and (ii) the rights granted for each of the two independent Astellas targets.

The aggregate transaction price at inception of the agreement was the $50,000,000 upfront payment. Future development milestones are not considered probable as of December 31, 2021 and have not been included in the transaction price. Reimbursement of the research funding over the co-development period (up until completion of a Phase 1 trial for products directed to such target) is variable consideration and included in the transaction price as of December 31, 2021 to the extent that a significant reversal of revenue is not probable. The Company may also receive sales milestones upon the achievement of specified levels of annual net sales by Astellas under an independent Astellas program. These amounts have not been included within the transaction price as of December 31, 2021 because they are sales-based and would be recognized when the subsequent sales occur.

The aggregate transaction price is allocated to the performance obligations depending on the relative standalone selling price of the performance obligations. In determining the best estimate of the relative standalone selling price, the Company considered internal pricing objectives it used in negotiating the contract, together with internal data regarding the cost and margin of providing research services and adjusted-market data from comparable arrangements. The variable consideration is allocated to the performance obligation to which it relates.

The amount of the transaction price allocated to the performance obligation is recognized as or when the Company satisfies the performance obligation. The Company expects to satisfy the performance obligations relating to the three co-development targets as development progresses and recognizes revenue based on an estimate of the percentage of completion of the project determined based on the costs incurred on the project as a percentage of the total expected costs. The Company considers that this depicts the progress of the project, where the significant inputs would be internal project resources and third-party costs. The revenue allocated to the research services will be recognized as development of products directed to the target progresses up until completion of a Phase 1 trial.

The Company has determined that the performance obligations relating to the two independent Astellas targets would be recognized at a point-in-time, upon commencement of the licenses in the event of nomination of the target, since they are right-to-use licenses.

The amount of the transaction price that is allocated to performance obligations that are unsatisfied or partially satisfied under the agreement as of December 31, 2021 was $77,825,000, of which $15,026,000 is allocated to the rights granted for each of the two independent Astellas targets, $20,453,000 is allocated to research services and rights granted under the co-exclusive license for the first co-development target, $20,066,000 is allocated to research services and rights granted under the co-exclusive license for the second co-development target and $7,254,000 is allocated to research services and rights under the co-exclusive license for the third co-development targets

The GSK Collaboration and License Agreement

The GSK Collaboration and License Agreement consists of multiple performance obligations, including the transition of the NY-ESO SPEAR T-cell program to GSK, the development of a second and third target, and an exclusive license (the "NY-ESO License") to research, develop, and commercialise the Group's NY-ESO SPEAR T-cell therapy program.

In 2017, GSK exercised its option to obtain the NY-ESO License and in July 2018, the IND for the NY-ESO SPEAR T-cell program transferred to GSK.

2 REVENUE & SEGMENTAL REPORTING (continued)

The GSK Collaboration and License Agreement (Continued)

In 2017, GSK nominated a second target program which was completed in 2018.

In 2019, GSK nominated its third target under the Collaboration and License Agreement and the Group received $3,200,000 following the nomination of the target. The development of products to the third target is a separate performance obligation. Revenue allocated to this performance obligation is recognized as the development progresses.

Under the terms of the GSK Collaboration and License Agreement, the Company may also be entitled to development milestones. The development and regulatory milestones are per product milestones and are dependent on achievement of certain obligations, the nature of the product being developed, stage of development of product, territory in which an obligation is achieved and type of indication or indications in relation to which the product is being developed. In addition, for any program multiple products may be developed to address different HLA-types. In June 2021 the Company received a $4.2 million milestone payment following achievement of a development milestone for the third target under the GSK Collaboration and License Agreement. As a result of the inclusion of this amount in the transaction price, $803,000 of revenue was recognized in the year ended December 31, 2021 from performance obligations partially satisfied in previous periods.

The Group may also receive commercialization milestones upon the first commercial sale of a product based on the indication and the territory and mid-single to low double-digit royalties on worldwide net sales. These amounts have not been included within the transaction price as of 31 December 2021 because they are sales or usage-based royalties promised in exchange for a license of intellectual property, which will be recognized when the subsequent sale or usage occurs.

The payments to the Group under the contract are typically due upon achievement of milestones and within standard payment terms (approximating to 45 days). The contract does not include a significant financing component.

The amount of the transaction price allocated to the performance obligation is recognized as or when the Company satisfies the performance obligation. The Company satisfies the performance obligations relating to the development of each target over time and recognizes revenue based on an estimate of the percentage of completion of the project determined based on the costs incurred on the project as a percentage of the total expected costs. The Company considers that this depicts the progress of the project, where the significant inputs are internal project resource and third-party clinical and manufacturing costs. The amount of the transaction price that is allocated to performance obligations that are unsatisfied or partially satisfied under the agreement as of December 31, 2021 was $7,424,000.

The previous performance obligation relating to the NY-ESO License was recognized at a point-in-time, upon commencement of the license in 2018.

Geographic information

Noncurrent assets (excluding intangibles, financial instruments, and deferred tax) based on geographic location:

As of 31 December	2021	2020
	$'000	$'000
United Kingdom	**30,844**	23,635
United States	**21,007**	21,815
	51,851	45,450

3 OTHER INCOME

Group

For the year ended 31 December	2021 $'000	2020 $'000
U.K. research and development expenditure credit	**182**	168
Reimbursement of certain equity issuance costs	**2,154**	1,196
	2,336	1,364

4 EXPENSES AND AUDITOR'S REMUNERATION

Group

For the year ended 31 December	2021 $'000	2020 $'000
Operating loss is stated after charging/(crediting):		
Realized foreign exchange losses (gains)	**(4,392)**	226
Depreciation of owned property, plant and equipment (note 9)	**5,630**	6,627
Amortisation of intangibles (note 11)	**937**	967
Gain on disposal of fixed assets	**38**	12
Inventories recognised as an expense during the period	**1,312**	1,930
Reversal of the write-down of inventories in the period	**(3,271)**	—
Other expenses include amounts receivable by the Group's auditor and its associates in respect of:		
Audit of the Company's annual accounts	**362**	266
Audit of the subsidiaries' annual accounts	**242**	177
Audit-related assurance services	**614**	572
Other assurance services	**91**	220
All other fees	**—**	—

Audit-related assurance services include interim review fees and Sarbanes-Oxley (SOX) compliance related fees. Other assurance fees include assurance services relating to financings.

5 STAFF NUMBERS AND COSTS

Group

The average number of persons employed by the Group during the period, analysed by category, was as follows:

For the year ended 31 December	2021	2020
Research & Development	**354**	304
Management & Administration	**109**	90
	463	394

5 STAFF NUMBERS AND COSTS (continued)

The aggregate staff costs of these persons were as follows:

For the year ended 31 December	2021	2020
	$'000	$'000
Wages and salaries	**58,727**	49,287
Social security costs	**4,989**	4,264
Share based payment – fair value of employee services (note 24)	**19,914**	11,861
Pension costs – defined contribution (note 23)	**2,505**	2,070
	86,135	67,482

6 DIRECTORS' REMUNERATION

Group

Details of directors' remuneration are provided in Part I of the Directors' Remuneration Report on page 43-53.

The aggregate amount of gains made by directors on the exercise of share options in the year ended 31 December 2021 was $290,000 (2020: $645,000).

7 FINANCE INCOME AND EXPENSE

Group

Finance income recognised in the income statement:

For the year ended 31 December	2021	2020
	$'000	$'000
Net unrealized foreign exchange gains	**—**	1,332
Interest income on financial assets at fair value through OCI	**1,093**	2,017
Interest income on cash, cash equivalents	**2**	352
	1,095	3,701

Finance expense recognised in the income statement:

For the year ended 31 December	2021	2020
	$'000	$'000
Net unrealized foreign exchange losses	**540**	—
Lease interest expense	**1,701**	1,679
	2,241	1,679

8 TAXATION

Group

Recognised in the income statement:

For the year ended 31 December	2021 $'000	2020 $'000
Current tax income:		
U.K. R&D tax credit	**28,236**	19,226
U.S. corporation tax	**(587)**	(162)
Adjustments in respect of prior periods	**5,459**	—
Total tax credit recognized in income statement	**33,108**	19,064

Reconciliation of Effective Tax Rate

The effective tax rate is lower (*2020: lower*) than the standard rate of corporation tax in the U.K. The differences are explained below:

For the year ended 31 December	2021 $'000	2020 $'000
Loss before tax	**187,123**	150,306
Tax at the U.K. corporation tax rate of 19% (2020: 19.0%)	**35,553**	28,558
Adjustments in respect of prior years	**5,459**	—
Non-taxable income and non-deductible expenses	**(1,691)**	(673)
Permanent differences on net investment in foreign operation	**1,402**	(2,696)
Deferred taxes not recognised	**(22,855)**	(16,811)
Difference in tax rates	**(55)**	7
Additional allowance in respect of enhanced R&D relief	**20,993**	14,240
Surrender of tax losses for R&D tax credit refund	**(8,796)**	(5,967)
R&D tax credits generated	**3,198**	2,320
Other	**(100)**	86
	33,108	19,064

As of 31 December 2021, there are accumulated tax losses for carry forward in the U.K. of approximately $411,500,000 (*2020: $*334,400,000), expenditure credit carryforwards of $760,000 (*2020: $700,000*) and U.S. tax credit carryforwards of $8,320,000 *(2020: $7,500,000)*. Unsurrendered U.K. tax losses can be carried forward indefinitely to be offset against future taxable profits, however this is restricted to an annual £5 million allowance in each standalone company or group and above this allowance, there will be a 50% restriction in the profits that can be covered by losses brought forward. U.K. tax credit carryforwards can be carried forward indefinitely to be offset against future tax liabilities of the company. U.S. tax credit carryforwards can be carried forward for 20 years.

Deferred tax assets have been recognised to the extent that they are supported by reversing taxable temporary differences. The remaining potential deferred tax assets have not been recognised after management have considered all available positive and negative evidence including cumulative losses in recent years and projections of future taxable losses.

8 TAXATION (continued)

The United Kingdom's Finance Act 2021, which was enacted on June 10, 2021, maintained the corporation tax rate at 19% up until the year commencing April 1, 2023, at which point the rate will rise to 25%. As of December 31, 2021, the Company used a 25% and 21% tax rate in respect of the measurement of deferred taxes arising in the U.K. and the U.S., respectively, which reflects the currently enacted tax rates and the anticipated timing of the unwinding of the deferred tax balances.

The U.S. corporate tax rate for the years ended 31 December 2021 and 2020 was 21%.

9 PROPERTY, PLANT & EQUIPMENT

Group

	Computer Equipment	Office Equipment	Laboratory Equipment	Leasehold Improvements	Assets under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 January 2020	3,069	864	23,464	27,320	—	54,717
Additions	378	9	1,507	1,074	—	2,968
Transfers between classes	—	—	(128)	—	—	(128)
Effect of foreign currency translation	125	20	731	442	—	1,318
At 31 December 2020	**3,572**	**893**	**25,574**	**28,836**	—	**58,875**
Additions	137	65	2,855	(12)	5,396	8,441
Disposals	—	—	(250)	—	—	(250)
Effect of foreign currency translation	(17)	(5)	(177)	(120)	—	(319)
At 31 December 2021	**3,692**	**953**	**28,002**	**28,704**	**5,396**	**66,747**
Depreciation						
At 1 January 2020	**2,664**	**500**	**14,466**	**6,019**	—	**23,649**
Charge for period	370	157	3,845	2,255	—	6,627
Disposals	—	—	(106)	—	—	(106)
Effect of foreign currency translation	64	18	654	191	—	927
At 31 December 2020	**3,098**	**675**	**18,859**	**8,465**	—	**31,097**
Charge for period	234	155	3,048	2,193	—	5,630
Disposals	—	—	(207)	—	—	(207)
Effect of foreign currency translation	(15)	(4)	(208)	(40)	—	(267)
At 31 December 2021	**3,317**	**826**	**21,492**	**10,618**	—	**36,253**
Carrying value						
At 1 January 2020	405	364	8,998	21,301	—	31,068
At 31 December 2020	474	218	6,715	20,371	—	27,778
At 31 December 2021	**375**	**127**	**6,510**	**18,086**	**5,396**	**30,494**

10 LEASES

Group

	2021	2020
Lease cost:	**$'000**	$'000
Depreciation of right-of-use assets	3,032	2,870
Interest expense (included in Finance expense)	1,701	1,679
Low value lease cost	—	265
Short-term lease cost	419	94
	5,152	4,908

	2021	2020
	$'000	$'000
Other information:		
Total cash outflow for leases	4,172	3,769
Weighted-average remaining lease term	7.9 years	6.3 years
Weighted-average discount rate	6.7%	7.2%

Future minimum lease payments for property leases as of 31 December 2021 are presented below:

	Property leases
	$'000
2022	4,105
2023	4,277
2024	4,204
2025	4,252
2026	4,301
after 2026	13,862
Total Lease payments	**35,001**
Less Imputed Interest	7,944
Present value of lease liability	**27,057**

The accumulated depreciation on right-of-use assets as of 31 December 2021 was $8,966,000 (*2020: $5,934,000*). Right-of-use additions in the year ended 31 December 2021 were $255,000.

On 13 August 2021, the Group modified the lease of 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire, UK (the "60 Jubilee Avenue lease") and on 20 August 2021, the Group modified the lease of 39 Innovation Drive, Milton Park, Abingdon, Oxfordshire, UK (the "39 Innovation Drive lease"). The effect of the modifications extended the first break option exercisable by the Group and has resulted in a change in the lease term for both leases. The modification to the 39 Innovation Drive lease also amended the lease payments for that lease. The modifications did not result in the identification of a separate contract.

10 LEASES (continued)

Upon modification, the lease liability has been remeasured using the current estimate of the Group's incremental borrowing rate and the amount of the remeasurement of the lease liability has been recognized as an adjustment to the corresponding right-of-use asset. The effect of the modification was to increase the lease liability and the corresponding right-of-use asset by $.4,290,000.

The modification also removed a bank guarantee, which resulted in a reduction in restricted cash of $2,739,000. The Company paid $1,736,000 to the lessor as a rent deposit.

On 24 October 2021, a rent review was performed for the 60 Jubilee Avenue lease and the 39 Innovation Drive lease which resulted in an increase in rental payments. Upon the change in lease payments, the lease liability has been remeasured using the current estimate of the Company's incremental borrowing rate and the amount of the remeasurement of the lease liability has been recognised as an adjustment to the corresponding right-of-use asset. The effect of the remeasurement was to increase the lease liability and the corresponding right-of-use asset by $1,634,000

11 INTANGIBLES

Group

	Licensed technology	In-process R&D	Computer Software	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 January 2020	**204**	**11,186**	**4,095**	**15,485**
Additions	—	800	496	1,296
Effect of foreign currency translation	7	43	60	110
At 31 December 2020	**211**	**12,029**	**4,651**	**16,891**
Additions	—	500	138	638
Effect of foreign currency translation	(2)	(107)	53	(56)
At 31 December 2021	**209**	**12,422**	**4,842**	**17,473**
Amortization				
At 1 January 2020	**197**	**—**	**1,905**	**2,102**
Charge for period	—	—	967	967
Effect of foreign currency translation	7	—	56	63
At 31 December 2020	**204**	**—**	**2,928**	**3,132**
Charge for period	—	—	937	937
Effect of foreign currency translation	—	—	(18)	(18)
At 31 December 2021	**204**	**—**	**3,847**	**4,051**
Carrying value				
At 1 January 2020	7	11,186	2,190	13,383
At 31 December 2020	7	12,029	1,723	13,759
At 31 December 2021	**5**	**12,422**	**995**	**13,422**

In-process R&D relates to upfront and milestone payments due to Universal Cells, Inc (Universal Cells) of $7.5 million, Alpine of $2.0 million and Noile-Immune.of $2.5 million under the collaboration agreements.

Details of further potential milestone payments can be found in Note 25.

12 INVESTMENTS AND LOANS IN SUBSIDIARIES

Company

	Investments in subsidiaries	Loans to subsidiaries	Total
	$'000	$'000	$'000
Cost			
At 1 January 2020	**191,621**	**295,576**	**487,197**
Capital contributions in respect of share-based payment transactions	10,780	—	10,780
Additional loan drawdowns and capital contributions	1,810	64,190	66,000
Interest paid	—	(8,062)	(8,062)
Imputed interest recognised	—	32,352	32,352
At 31 December 2020	**204,211**	**384,056**	**588,267**
Capital contributions in respect of share-based payment transactions	17,967	—	17,967
Additional loan drawdowns and capital contributions	33,985	103,515	137,500
Loan repayments	—	(69,559)	(69,559)
Interest paid	—	(11,030)	(11,030)
Imputed interest recognised	—	41,731	41,731
Revaluation on loan modification	—	2,843	2,843
At 31 December 2021	**256,163**	**451,556**	**707,719**
Provisions			
At 1 January 2020	191,621	171,011	362,632
Reversal of provision in year	(91,823)	(171,011)	(262,834)
At 31 December 2020	**99,798**	**—**	**99,798**
Additional provision during the year	156,365	145,028	301,393
At 31 December 2021	**256,163**	**145,028**	**401,191**
Net book value at 31 December 2020	104,413	384,056	488,469
Net book value at 31 December 2021	**—**	**306,528**	**306,528**

(1) As explained in note 1(f), during the current year the Directors have adopted the balance sheet formats set out in the Companies Act in presenting the statement of financial position for the parent company. In representing the balance sheet in accordance with those formats, the Directors have reconsidered the initial measurement of loans to subsidiaries that were at below market interest rates and the effective interest rate subsequently recognised on those loans resulting in an adjustment to the carrying amount of the loan, the investment in subsidiary and the interest income in the years ended 31 December 2020 and prior.

12 INVESTMENTS AND LOANS IN SUBSIDIARIES (continued)

In 2019, a loss provision was recognised in the Company Statement of Financial Position following a significant deterioration in the Company's subsidiary's (Adaptimmune Limited's) ability to repay the loan. In 2020, as a result of progress in research and development activities and the Group entering into the Astellas Collaboration Agreement, a reversal of impairment had been recognised in respect of both the Investments in subsidiaries and Loans to subsidiaries. In 2021 a further provision has been made to reflect a further deterioration in the Company's subsidiary's (Adaptimmune Limited's) ability to repay the loan following a significant deterioration in market conditions in the XBI.

Loan receivables from group undertakings arose due to a U.S. dollar denominated unsecured loan, which accrued interest at a rate of 2.38% per annum. The initial contractual term of the loan was until 31 December 2020, after which the loan was to be automatically renewed on an annual basis unless Adaptimmune Therapeutics Plc gives sufficient notice. On 7 December 2021, the terms of the loan were modified to an interest free loan, repayable on demand. It is Adaptimmune Therapeutics Plc's intention not to request repayment of the loan for the foreseeable future, and due to the ongoing working capital requirements of the Group, Adaptimmune Limited does not expect to repay the loan, or any material part thereof, in the foreseeable future. Therefore, the loan receivables has been classed as a non-current asset.

The Company has the following (direct or indirect) interest in subsidiary undertakings:

Name of Company	Country of Incorporation	Holding	Proportion Held	Nature of Business	Registered Address
Adaptimmune Limited	England and Wales	Ordinary shares of £0.001	100 %	Biotechnology Research & Development	60 Jubilee Avenue, Milton Park, Abingdon , Oxfordshire, England, OX14 4RX
Adaptimmune LLC	United States of America	Ordinary shares of $1	100 %	Biotechnology Research & Development	351 Rouse Boulevard, The Navy Yard, Philadelphia, PA 19112, United States
Adaptimmune B.V.	The Netherlands	Ordinary shares of €0.01	100 %	Administrative	Zuid-Hollandlaan 7, 2596 AL, The Hague, The Netherlands

13 RESTRICTED CASH

Group

As of 31 December 2021 and 2020, the Group had restricted cash of $1,718,000 and $4,602,000 respectively, relating to security deposits for letters of credit relating to leased properties.

14 OTHER CURRENT ASSETS

Group

As of 31 December	2021 $'000	2020 $'000
Prepayments	**9,043**	6,314
Clinical materials	**3,518**	2,086
Other current assets	**4,564**	811
	17,125	9,211

Company

As of 31 December	2021 $'000	2020 $'000
Prepayments	**1,011**	757
Other current assets	**88**	—
	1,099	757

15 TRADE & OTHER RECEIVABLES

Group

As of 31 December	2021 $'000	2020 $'000
Trade receivables	**752**	139

Company

As of 31 December	2021 $'000	2020 $'000
Amounts owed from group undertakings	**7,753**	13,682

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

Group and Company

As of 31 December	2021 $'000	2020 $'000
Marketable securities denominated in U.S. dollars	**219,632**	311,335

17 CASH AND CASH EQUIVALENTS

Group

As of 31 December	2021	2020
	$'000	$'000
Cash and cash equivalents held in pounds sterling	**66,186**	8,665
Cash and cash equivalents held in U.S. dollars	**83,762**	48,217
	149,948	56,882

The Group's policy for determining cash and cash equivalents is to include all cash balances, short-term deposits and investments with maturities of three months or less from the date of acquisition.

When the Group assesses its liquidity position it includes cash and cash equivalents as well as short-term investments.

18 CAPITAL AND RESERVES

Group and Company

Share capital

As of 31 December	2021	2020
	$'000	$'000
Allotted, called up and fully paid 937,547,934 (As of 31 December 2020: 928,754,958) Ordinary shares of 0.1p each	**1,337**	1,325

Ordinary shares

Subject to any other provisions of our articles of association and without prejudice to any special rights, privileges or restrictions as to voting attached to any shares forming part of our share capital, the voting rights of shareholders are as follows. On a show of hands, each shareholder present in person, and each duly authorized representative present in person of a shareholder that is a corporation, has one vote. On a show of hands, each proxy present in person who has been duly appointed by one or more shareholders entitled to vote on a resolution has one vote, but a proxy has one vote for and one vote against a resolution if, in certain circumstances, the proxy is instructed by more than one shareholder to vote in different ways on a resolution. On a poll, each shareholder present in person or by proxy or (being a corporation) by a duly authorized representative has one vote for each share held by the shareholder. We are prohibited (to the extent specified by the Companies Act 2006) from exercising any rights to attend or vote at meetings in respect of any shares held by the Company as treasury shares.

Subject to the Companies Act 2006 and the provisions of all other relevant legislation, we may by ordinary resolution declare dividends out of our profits available for distribution in accordance with the respective rights of shareholders but no such dividend shall exceed the amount recommended by the directors. If, in the opinion of the directors, our profits available for distribution justify such payments, the directors may from time to time pay interim dividends to the holders of any class of shares. Subject to any special rights attaching to or terms of issue of any shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. No dividend shall be payable to us in respect of any shares held by us as treasury shares (except to the extent permitted by the Companies Act 2006 and any other relevant legislation). As of 31 December 2021, Adaptimmune Therapeutics Plc and Adaptimmune Limited have accumulated net losses and, accordingly, no profits available for distribution out of which to declare or pay dividends.

18 CAPITAL AND RESERVES (continued)

Subject to any special rights attaching to or the terms of issue of any shares, on any winding-up of the Company our surplus assets remaining after satisfaction of our liabilities will be distributed among our shareholders in proportion to their respective holdings of shares and the amounts paid up on those shares.

Effective from 14 May 2021, the Directors were generally authorized to allot new shares or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £307,869.00 . This authority will expire on the earlier of the conclusion of the Company's annual general meeting in 2022 and 30 June 2022 (unless previously renewed, varied or revoked). Effective from 14 May 2021, the Directors were also empowered to allot equity securities for cash, pursuant to their general authority to allot described in this paragraph, without first offering them to existing shareholders in proportion to their existing holdings up to an aggregate maximum nominal amount of £307,869.00. This power will expire on the earlier of the conclusion of the Company's annual general meeting in 2022 and 30 June 2022 (unless previously renewed, varied or revoked).

2020 Underwritten public offerings

2020 January Offering

On 24 January 2020, the Company closed an underwritten public offering of 21,000,000 American Depository Shares (ADSs), which together with the full exercise by the underwriters on 7 February 2020 of their option to purchase an additional 3,150,000 ADSs, generated net proceeds of $90,554,000.

2020 June Offering

On 4 June 2020, the Company closed an underwritten public offering of 20,500,000 ADSs, which together with the full exercise by the underwriters of their option to purchase an additional 3,075,000 ADSs, generated net proceeds of $243,834,000.

At-the-Market Offerings

On 10 August 2020, the Company entered into a sales agreement with Cowen and Company, LLC ("Cowen") (the "Sales Agreement") under which we may from time to time issue and sell American Depositary Shares ("ADSs") representing our ordinary shares through Cowen in at-the-market ("ATM") offerings for an aggregate offering price of up to $200 million. In the year ended 31 December 2021, the Company sold 511,555 ADSs representing 3,069,330 ordinary shares resulting in net proceeds to the Company of $2,529,000 after deducting commissions payable under the Sales Agreement and issuance costs. As of 31 December 2021, $197,360,000 remained available for sale under the Sales Agreement.

Dividends

No dividends were paid or declared in the years ended 31 December 2021 and 2020.

Capital Management Policy

The Group manages the operating cash outflow through its budgeting process and looks to raise sufficient funds from revenue and equity to cover these outflows.

18 CAPITAL AND RESERVES (continued)

Nature and purpose of reserves

Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through OCI until the assets are derecognised or impaired.

Other reserve

The other reserve has arisen as a result of the company reorganization described above.

19 NON-CURRENT TRADE AND OTHER PAYABLES

Group

As of 31 December	31 December 2021 $'000	31 December 2020 $'000
Other payables	**673**	644

20 CURRENT TRADE AND OTHER PAYABLES

Group

As of 31 December	2021 $'000	2020 $'000
Trade payables	**8,217**	6,427
Other taxation and social security	**797**	572
Other accrued employee expenses	**10,961**	11,253
Accrued clinical and development expenditure	**13,436**	13,081
Other payables	**4,612**	2,134
	38,023	33,467

Company

As of 31 December	2021 $'000	2020 $'000
Trade payables	**163**	1
Amounts owed to group undertakings	**751**	1,355
Accruals	**1,014**	911
	1,928	2,267

Amounts owed to group undertakings are unsecured, have no fixed date of repayment, and are interest free.

21 PROVISIONS

Group

	2021	2020
	$'000	$'000
At 1 January	—	5,000
Additional amounts provided in the year	—	—
Paid or invoiced during the year	—	(5,000)
At 31 December	—	—

On 16 June 2016, the Group entered into a supply agreement with ThermoFisher for the supply of the Dynabeads® CD3/CD28 technology. The Dynabeads® CD3/CD28 technology is designed to isolate, activate and expand human T-cells, and is being used in the manufacturing of the Group's affinity enhanced T-cell therapies. The supply agreement runs until 31 December 2025. Under the supply agreement the Group is required to purchase its requirements for CD3/CD28 magnetic bead product from ThermoFisher for a period of 5 years and there are also minimum purchasing obligations. $5.0 million of these purchase commitments were recognised in Research and development expense in the year ended 31 December 2019. Management regularly updates the assessment of the utility of the Dynabeads and whether the unavoidable costs of meeting obligations for minimum purchase commitments exceed the economic benefits it expects to receive under the contract. In the year ended 31 December 2019, the Group considered that there was sufficient uncertainty surrounding the utility of the Dynabeads purchase commitment, which were dependent upon current study trajectories, the Group's clinical pipeline, manufacturing methods and undetermined future projects, to result in the $5.0 million purchase commitment being recognised as a provision in the year ended 31 December 2019. In light of current and projected use of the Dynabeads in both 2020 and 2021, this provision has been subsequently reversed.

22 FINANCIAL INSTRUMENTS

Group

Disclosure of financial assets measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis based on Level 1, Level 2, and Level 3 fair value measurement criteria as of 31 December 2021 are as follows:

		Fair Value Measurements Using		
	31 December 2021	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets:				
Financial assets at fair value through OCI : Corporate debt securities	214,639	214,639	—	—
Financial assets at fair value through OCI : Agency bonds	4,993	—	4,993	—
	219,632	214,639	4,993	—

The Group estimates the fair value of financial assets at fair value through OCI with the aid of a third party valuation service, which uses actual trade and indicative prices sourced from third-party providers on a daily basis to estimate the fair value. If observed market prices are not available (for example securities with short maturities and infrequent secondary market trades), the securities are priced using a valuation model maximizing observable inputs, including market interest rates.

Our investments in financial assets at fair value through OCI are subject to credit risk. The Group's investment policy limits investments to certain types of instruments, such as money market funds and corporate debt securities, places restrictions on maturities and concentration by type and issuer and specifies the minimum credit ratings for all investments and the average credit quality of the portfolio. All of the Group's investments at fair value through OCI are considered to have low credit risk and hold investment grade external credit rating ranging from AA- to AAA. The Group has not recognized a loss allowance since it does not intend or expect to sell the assets at a loss, the likelihood that it would be required to do so is low, and the expected losses in the unlikely event of this occurring are immaterial.

Disclosure of fair values of financial assets and liabilities:

For the Group's cash and cash equivalents, trade and other payables and trade and other receivables with a remaining life of less than one year, the nominal amount is deemed to reflect fair value.

Liquidity Risk

The Group's treasury policy gives guidance on how much investment should be held with differing counterparties. The cash utilisation is monitored to provide a lead time for raising further funding.

22 FINANCIAL INSTRUMENTS (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	31 December 2021		
As of	**Carrying amount**	**Contractual cash flows**	**1 year or less**
	$'000	**$'000**	**$'000**
Financial liabilities at amortised cost			
Trade payables	**8,217**	**8,217**	**8,217**
Other taxation and social security	**797**	**797**	**797**
Accruals and other payables	**29,009**	**29,009**	**29,009**
	38,023	**38,023**	**38,023**

	31 December 2020		
As of	Carrying amount	Contractual cash flows	1 year or less
	$'000	$'000	$'000
Financial liabilities at amortised cost			
Trade payables	6,427	6,427	6,427
Other taxation and social security	572	572	572
Accruals and other payables	26,468	26,468	26,468
	33,467	33,467	33,467

Foreign Exchange Risk

Financial assets and liabilities in foreign currencies are as follows:

	2021	2020
As of 31 December	**Carrying amount**	Restated Carrying amount
	$'000	$'000
Financial assets:		
Cash and cash equivalents	**66,186**	8,665
Security deposits	**2,059**	368
Financial liabilities:		
Trade payables	**2,451**	1,234
Leases	**15,262**	12,553

A 1% change in exchange rates would change the carrying value of net financial assets and liabilities in foreign currencies at 31 December 2021 by $505,000 (2020: $48,000).

The results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. We seek to minimize this exposure by maintaining currency cash balances at levels appropriate to meet foreseeable expenses in U.S. dollars and pounds sterling. To date, we have not used forward exchange contracts or other currency hedging products to manage our exchange rate exposure, although we may do so in the future. The exchange rate as of 31 December 2021, the last business day of the reporting period, was £1.00 to $1.35.

22 FINANCIAL INSTRUMENTS (continued)

Credit risk

Trade receivables were $752,000 and $139,000 as of 31 December 2021 and 2020, respectively. Trade receivables arise in relation to the Astellas Collaboration Agreement and the GSK Collaboration and License Agreement. The Group has been transacting with Genentech since October 2021, Astellas since January 2020 and GSK since 2014, during which time no impairment losses have been recognized. No balances were past due as of December 31, 2021.

Our cash and cash equivalents are held with multiple banks and we monitor the credit rating of those banks. Our investments in corporate debt securities and commercial paper are subject to credit risk. Our investment policy limits investments to certain types of instruments, such as money market instruments, corporate debt securities and commercial paper, places restrictions on maturities and concentration by type and issuer and specifies the minimum credit ratings for all investments and the average credit quality of the portfolio.

Market Risk

Market risk is the risk that changes in market prices, such as in interest rates, commodity prices and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The Group's surplus cash and cash equivalents are invested in interest-bearing savings, money market funds, corporate debt securities and commercial paper from time to time. The Group's investments in corporate debt securities are subject to fixed interest rates. The Group's exposure to interest rate sensitivity is impacted by changes in the underlying U.K. and U.S. bank interest rates and the fair market value of our corporate debt securities will fall in value if market interest rates increase. We do not believe an immediate one percentage point change in interest rates would have a material effect on the fair market value of our portfolio, and therefore we do not expect our operating results or cash flows to be significantly affected by changes in market interest rates.

Financial assets and liabilities subject to variable interest rates are as follows:

As of 31 December	**2021 Carrying amount $'000**	2020 Carrying amount $'000
Cash and cash equivalents	149,948	56,882

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

23 EMPLOYEE BENEFITS

Group

The Group operates a defined contribution pension scheme for its executive directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding as of 31 December 2021 were $223,000 (2020: $180,000). The pension cost charge for the year ended 31 December 2021 was $2,505,000 (2020: $2,070,000).

24 SHARE BASED PAYMENTS

Group

The Company grants options over ordinary shares in Adaptimmune Therapeutics plc under the following option plans: (i) the Adaptimmune Therapeutics plc 2015 Share Option Scheme (adopted on 16 March 2015); (ii) the Adaptimmune Therapeutics plc Company Share Option Plan (adopted on 16 March 2015) and (iii) the Adaptimmune Therapeutics plc Employee Share Option Scheme (adopted on 14 January 2016).

The Adaptimmune Therapeutics plc Company Share Option Plan is a tax efficient option scheme intended to comply with the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 of the United Kingdom, which provides for the grant of company share option plan ("CSOP") options. Grants may not exceed the maximum value of £30,000 per participant for the shares under the option, which is a CSOP compliance requirement.

Generally, the vesting dates for the options granted under these plans up to 31 December 2021 are 25% on the first anniversary of the grant date and 75% in monthly instalments over the following three years. However, the options granted to non-executive directors under the Adaptimmune Therapeutics plc 2015 Share Option Scheme vest and become exercisable as follows:

Options granted to non-executive directors on 11 May 2015:	Immediately on grant date
Options granted to a non-executive director on 23 June 2016:	25% on the first anniversary of the grant date and 75% in monthly instalments over the following two years
Options granted to non-executive directors on 11 August 2016:	100% on the first anniversary of the grant date
Options granted to non-executive directors on 28 November 2016:	25% on the first anniversary of the grant date and 75% in monthly instalments over the following two years
Options granted to non-executive directors on 3 July 2017:	100% on the first anniversary of the grant date
Options granted to non-executive directors on 22 June 2018:	100% on the first anniversary of the grant date
Options granted to a non-executive director on 5 July 2018:	25% on the first anniversary of the grant date and 75% in monthly instalments over the following two years
Options granted to non-executive directors on 2 July 2019:	100% on the first anniversary of the grant date
Options granted to non-executive directors on 1 July 2020:	100% on the first anniversary of the grant date
Options granted to non-executive directors on 1 July 2021:	100% on the first anniversary of the grant date

Options granted under these plans are not subject to performance conditions. The contractual term of options granted under these plans is ten years.

The maximum aggregate number of options which may be granted under these plans and any incentive plans adopted by the Company cannot exceed a scheme limit that equates to 8% of the initial fully diluted share capital of the Company immediately following our IPO plus an automatic annual increase of an amount equivalent to 4% of the issued share capital on each 30 June (or such lower number as the Board, or an appropriate committee of the Board, may determine). The automatic increase is effective from 1 July 2016.

24 SHARE BASED PAYMENTS (continued)

Prior to 31 December 2014, the Group granted options to purchase ordinary shares in Adaptimmune Limited under three option schemes:

(i) The Adaptimmune Limited Share Option Scheme was adopted on 30 May 2008. Under this scheme Enterprise Management Incentive ("EMI") options (which are potentially tax-advantaged in the United Kingdom) have been granted (subject to the relevant conditions being met) to our employees who are eligible to receive EMI options under applicable U.K. tax law and unapproved options (which do not attract tax advantages) have been granted to our employees who are not eligible to receive EMI options, and to our directors and consultants. In May 2014, the Company no longer qualified for EMI status and since that date, no further EMI options were granted under this scheme; however, unapproved options have been under granted under this scheme since that date.

(ii) The Adaptimmune Limited 2014 Share Option Scheme was adopted on 11 April 2014. EMI options were granted (subject to the relevant conditions being met) under this scheme to our employees who are eligible to receive EMI options under applicable U.K. tax law. Unapproved options were granted to our employees who are not eligible to receive EMI options and to directors. In May 2014, the Company no longer qualified for EMI status and since that date, no further EMI options were granted under this scheme; however, unapproved options have been under granted under this scheme since that date.

(iii) The Adaptimmune Limited Company Share Option Plan was adopted on 16 December 2014. This scheme allowed the grant of options to our eligible employees prior to the corporate reorganization. This scheme is a tax efficient option scheme and options were granted on 19 December 2014 and on 31 December 2014 to our part-time and full-time employees.

As part of the corporate reorganization in connection with our IPO, the holders of options granted under these schemes over ordinary shares of Adaptimmune Limited were granted equivalent options on substantially the same terms over ordinary shares of Adaptimmune Therapeutics plc ("Replacement Options") in exchange for the release of these options. The Company does not intend to grant any further options under these schemes.

As of 31 December 2021, all the Replacement Options under the Adaptimmune Limited schemes have vested.

The contractual life of options granted under these schemes is ten years.

24 SHARE BASED PAYMENTS (continued)

The number and weighted average exercise prices of share options (including grant in the year) are as follows:

	2021		2020	
For the year ended	**Number**	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at start of year	**91,643,184**	**£ 0.55**	88,878,122	£ 0.57
Changes during the period:				
Granted	**39,066,776**	**£ 0.38**	23,877,526	£ 0.42
Forfeited	**(10,070,876)**	**£ 0.52**	(9,711,074)	£ 0.58
Exercised	**(5,723,646)**	**£ 0.10**	(11,401,390)	£ 0.39
Outstanding at the end of the period	**114,915,438**	**£ 0.52**	91,643,184	£ 0.55
Exercisable at the end of the period	**60,058,450**	**£ 0.66**	53,554,476	£ 0.65

The weighted average share price during 2021 was £0.66 (2020: £1.02).

The following table shows information about share options and options which have a nominal exercise price (similar to restricted stock units (RSUs)) granted:

	2021	**2020**
Number of options over ordinary shares granted	21,300,998	15,595,374
Weighted average fair value of ordinary shares options	$ 0.70	$ 0.59
Number of RSU-style options granted	17,765,778	8,282,152
Weighted average fair value of RSU-style options granted	$ 0.97	$ 0.85

There were 5,723,646 and 11,401,390 share options exercised in the years ended 31 December 2021 and 2020, respectively. In the years ended 31 December 2021 and 2020 the total intrinsic value of stock options exercised was $4,321,000 and $8,195,000, respectively and the cash received from exercise of stock options was was $758,000 and $5,663,000, respectively. The Group recognizes tax benefits arising on the exercise of stock options regardless of whether the benefit reduces current taxes. The tax benefit arising on the exercise of stock options was $862,000 and $1,265,000 for the years ended 31 December 2021 and 2020, respectively. The Group satisfies the exercise of stock options through newly issued shares.

24 SHARE BASED PAYMENTS (continued)

For options outstanding at 31 December 2021, the range of exercise prices and weighted average remaining contractual life are as follows:

Outstanding				Exercisable	
Exercise Price	Total Share Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Total Share Options	Weighted-Average Exercise Price
£0	27,528,124	8.5	£ 0.00	3,053,353	£ 0.00
£0 – £0.25	1,268,588	5.4	0.17	936,227	0.16
£0.26 – £0.50	15,420,385	4.7	0.41	13,549,821	0.42
£0.51 – £0.75	38,895,120	7.0	0.60	25,612,282	0.62
£0.76 – £1.00	26,156,996	7.1	0.84	12,060,873	0.93
£1.01 – £1.50	4,255,224	7.4	1.24	3,478,553	1.26
£1.51 – £2.00	1,391,001	5.7	1.70	1,367,341	1.70
Total	**114,915,438**	**7.0**	**£ 0.52**	**60,058,450**	**£ 0.66**

The total charge for the year relating to share based payment plans was $19,914,000 (2020: $11,861,000), all of which related to equity-settled share based payment transactions.

The following table summarizes information about stock options granted based on the market value at grant date which were outstanding as of 31 December 2021:

	Options	Weighted average exercise price per option	Average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Outstanding at 1 January 2021	75,525,482	£ 0.67		
Changes during the period:				
Granted	21,300,998	£ 0.70		
Exercised	(2,659,632)	£ 0.21		
Forfeited	(6,779,534)	£ 0.77		
Outstanding at 31 December 2021	**87,387,314**	**£ 0.68**	**6.6**	**£ 1,311**
Exercisable at 31 December 2021	57,005,097	£ 0.69	5.4	£ 1,068

The following table summarizes information about options which have a nominal exercise price (similar to restricted stock units (RSUs)) which were outstanding as of 31 December 2021:

	Options	Average remaining contractual term (years)	Aggregate intrinsic value (thousands)
Outstanding at 1 January 2021	16,117,702		
Changes during the period:			
Granted	17,765,778		
Exercised	(3,064,014)		
Forfeited	(3,291,342)		
Outstanding at 31 December 2021	**27,528,124**	**8.5**	**£ 12,720**
Exercisable at 31 December 2021	3,053,353	6.9	£ 1,411

24 SHARE BASED PAYMENTS (continued)

Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The assumptions used in the fair value calculation for options granted in the year are as follows:

For the year ended	**2021**	2020
Expected life (years)	5 years	5 years
Expected volatility	98-100%	90 - 99% %
Risk free rate	0.00 - 0.61%	0.00 - 0.42% %
Expected dividend yield	0%	0 %

The expected term of the option is based on management judgment. Management uses historical data to determine the volatility of the Group's share price. The risk free rate is based on the Bank of England's estimates of the gilt yield curve as of the respective grant dates.

The Group has analysed historic forfeiture rates for share options and determined approximately 10% of outstanding options granted are expected to be forfeited.

25 CAPITAL COMMITMENTS AND CONTINGENCIES

Group

As of 31 December	**2021**	2020
	$'000	$'000
Future capital expenditure contracted but not provided for	**18,132**	264

Other commitments

Lease commitments

Details of the Group's lease commitments as at 31 December 2021 are disclosed in Note 10.

Commitments for clinical materials, clinical trials and contract manufacturing

As of 31 December 2021, the Group had non-cancellable commitments for purchase of clinical materials, contract manufacturing, maintenance, and committed funding under the MD Anderson strategic alliance of up to $14,332,000, which the Company expects to incur within one year. The amount and timing of these payments vary depending on the rate of progress of development. Future clinical trial expenses have not been included within the purchase commitments because they are contingent on enrollment in clinical trials and the activities required to be performed by the clinical sites. The Group's subcontracted costs for clinical trials and contract manufacturing were $46,469,000, $33,744,000 and $32,788,000 for the years ended December 31, 2021, 2020, and 2019 respectively.

MD Anderson Strategic Alliance

On 26 September 2016, the Group announced that it had entered into a multi-year strategic alliance with The University of Texas MD Anderson Cancer Center ("MD Anderson") designed to expedite the development of T-cell therapies for multiple types of cancer. The Group and MD Anderson are collaborating on a number of studies including clinical and preclinical development of the Group's SPEAR T-cell therapies and will collaborate on future clinical stage first and second generation SPEAR T-cell therapies across a number of cancers.

25 CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

Under the terms of the agreement, the Group committed at least $19,644,000 to fund studies. Payment of this funding is contingent on mutual agreement to study orders in order for any study to be included under the alliance and the performance of set milestones by MD Anderson. The Group made an upfront payment of $3,412,000 to MD Anderson in the year ended December 31, 2017 and milestone payments of $2,326,000, $3,549,000 and $454,000 in the years ended December 31, 2018, 2020, and 2021, respectively. The Group is obligated to make further payments to MD Anderson as certain milestones are achieved. These costs are expensed to research and development as MD Anderson renders the services under the strategic alliance.

The agreement may be terminated by either party for material breach by the other party. Individual studies may be terminated for, amongst other things, material breach, health and safety concerns or where the institutional review board, the review board at the clinical site with oversight of the clinical study, requests termination of any study. Where any legal or regulatory authorization is finally withdrawn or terminated, the relevant study will also terminate automatically.

Universal Cells Research, Collaboration and License Agreement

On 25 November 2015, the Group entered into a Research, Collaboration and License Agreement relating to gene editing and Human Leukocyte Antigen ("HLA") engineering technology with Universal Cells, Inc. ("Universal Cells"). The Group paid an upfront license and start-up fee of $2,500,000 to Universal Cells in November 2015, a milestone payment of $3,000,000 in February 2016 and further milestone payments of $200,000 and $900,000 were made in the year ended 31 December 2018 and 2017, respectively. The agreement was amended and re-stated as of 13 January 2020, primarily to reflect changes to the development plan agreed between the parties. Further milestone payments of up to $37,600,000 are payable if certain development and product milestones are achieved of which milestones of $800,000 and $500,000 have been accrued, but not yet paid, as of December 31, 2021. Universal Cells would also receive a profit-share payment for the first product, and royalties on sales of other products utilizing its technology. The upfront license and start-up fee and milestone payments were expensed to research and development when incurred.

Astellas Collaboration Agreement

Under the Astellas Collaboration Agreement, described further in Note 2, the Group could in certain circumstances elect to unilaterally develop a product using technology contributed by Astellas. If Adaptimmune unilaterally develops a product with technology contributed by Astellas, Astellas could be eligible to receive up to $552,500,000, including up to $147,500,000 in milestone payments per product, and up to $110,000,000 in sales milestones for products developed unilaterally by Adaptimmune. In addition, Astellas is entitled to receive tiered royalties on net sales in the mid-single to mid-teen digits.

Noile-Immune Collaboration Agreement

On 26 August 2019, the Group entered into a collaboration and license agreement relating to the development of next-generation SPEAR T-cell products with Noile-Immune Biotech Inc. ("Noile-Immune"). An upfront exclusive license option fee of $2,500,000 was paid to Noile-Immune in 2019. Under the agreement, development and commercialization milestone payments up to a maximum of $312,000,000 may be payable if all possible targets are selected and milestones achieved. Noile-Immune would also receive mid-single-digit royalties on net sales of resulting products.

25 CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

Alpine Collaboration Agreement

On 14 May 2019, we entered into a Collaboration Agreement relating to the development of next-generation SPEAR T-cell products with Alpine Immune Sciences Inc. ("Alpine"). The Group paid an upfront exclusive license option fee of $2.0 million to Alpine in June 2019. Under the agreement, Adaptimmune will pay Alpine for ongoing research and development funding costs and development and commercialization milestone payments up to a maximum of $288,000,000 may be payable if all possible targets are selected and milestones achieved. Alpine would also receive low single-digit royalties on worldwide net sales of applicable products.

ThermoFisher License Agreement

In 2012, the Group entered into a series of license and sub-license agreements with Life Technologies Corporation, part of ThermoFisher Scientific, Inc. ("ThermoFisher") that provide the Group with a field-based license under certain intellectual property rights owned or controlled by ThermoFisher. The Group paid upfront license fees of $1.0 million relating to the license and sublicense agreements and has an obligation to pay minimum annual royalties (in the tens of thousands of U.S. dollars prior to licensed product approval and thereafter at a level of 50% of running royalties in the previous year), milestone payments and a low single-digit running royalty payable on the net selling price of each licensed product.

In 2016, the Group entered into a supply agreement with ThermoFisher for the supply of the Dynabeads® CD3/CD28 technology. The Dynabeads® CD3/CD28 technology is designed to isolate, activate and expand human T-cells, and is being used in the manufacturing of the Group's affinity enhanced T-cell therapies. The supply agreement runs until 31 December 2025. Under the supply agreement the Group is required to purchase its requirements for CD3/CD28 magnetic bead product from ThermoFisher for a period of 5 years. ThermoFisher has the right to terminate the supply agreement for material breach or insolvency.

26 RELATED PARTIES

Group

Remuneration of Key Management Personnel

The remuneration of the Directors and Executive Officers, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24, 'Related Party Disclosures'.

For the year ended 31 December	2021	2020
	$'000	$'000
Short-term employee benefits	**4,548**	4,885
Post-employment benefits	**124**	84
Share-based payments	**8,553**	5,158
	13,225	10,127

Transactions with subsidiary companies are not disclosed from a Group perspective.

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