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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission File Number 001-37368

ADAPTIMMUNE THERAPEUTICS PLC

(Exact name of Registrant as specified in its charter)

England and Wales	Not Applicable
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

60 Jubilee Avenue, Milton Park
Abingdon, Oxfordshire OX14 4RX
United Kingdom
(Address of principal executive offices)

(44) 1235 430000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
American Depositary Shares, each representing 6 Ordinary Shares, par value £0.001 per share	ADAP	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filerx	Smaller reporting company x
	Emerging growth company☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standard provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of November 12, 2024, the number of outstanding ordinary shares par value £0.001 per share of the Registrant is 1,535,299,242.

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General information

In this Quarterly Report on Form 10-Q ("Quarterly Report"), "Adaptimmune," the "Group," the "Company," "we," "us" and "our" refer to Adaptimmune Therapeutics plc and its consolidated subsidiaries, except where the context otherwise requires.

Information Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, you can identify forward-looking statements by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" or the negative of these words or other comparable terminology.

Any forward-looking statements in this Quarterly Report reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those discussed in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 6, 2024. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This Quarterly Report also contains estimates, projections and other information concerning our industry, our business, and the markets for certain diseases, including data regarding the estimated size of those markets, and the incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

ADAPTIMMUNE THERAPEUTICS PLC
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 116,741	$ 143,991
Marketable securities - available-for-sale debt securities (amortized cost of $69,293 and $2,940) net of allowance for expected credit losses of $0 and $0	69,349	2,947
Accounts receivable, net of allowance for expected credit losses of $0 and $0	12,500	821
Inventory, net	1,874	—
Other current assets and prepaid expenses	43,750	59,793
Total current assets	**244,214**	**207,552**
Restricted cash	2,681	3,026
Other noncurrent assets	968	—
Operating lease right-of-use assets, net of accumulated amortization of $17,243 and $13,220	20,494	20,762
Property, plant and equipment, net of accumulated depreciation of $55,697 and $46,020	44,796	50,946
Intangible assets, net of accumulated amortization of $5,525 and $5,155	4,283	330
Total assets	**$ 317,436**	**$ 282,616**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 9,069	$ 8,128
Operating lease liabilities, current	4,175	5,384
Accrued expenses and other current liabilities	31,504	30,303
Deferred revenue, current	18,709	28,973
Total current liabilities	**63,457**	**72,788**
Operating lease liabilities, non-current	20,455	19,851
Deferred revenue, non-current	98,731	149,060
Borrowings, non-current	49,865	—
Other liabilities, non-current	4,939	1,404
Total liabilities	**237,447**	**243,103**
Stockholders' equity		
Common stock - Ordinary shares par value £0.001, 2,039,252,874 authorized and 1,534,889,490 issued and outstanding (2023: 1,702,760,280 authorized and 1,363,008,102 issued and outstanding)	2,084	1,865
Additional paid in capital	1,102,813	1,064,569
Accumulated other comprehensive loss	(5,136)	(3,748)
Accumulated deficit	(1,019,772)	(1,023,173)
Total stockholders' equity	**79,989**	**39,513**
Total liabilities and stockholders' equity	**$ 317,436**	**$ 282,616**

See accompanying notes to unaudited condensed consolidated financial statements.

ADAPTIMMUNE THERAPEUTICS PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	**$ 40,901**	**$ 7,319**	**$ 174,810**	**$ 60,050**
Operating expenses				
Research and development	(34,304)	(37,788)	(109,959)	(93,301)
Selling, general and administrative	(21,277)	(16,164)	(60,092)	(56,634)
Total operating expenses	**(55,581)**	**(53,952)**	**(170,051)**	**(149,935)**
Operating (loss)/profit	**(14,680)**	**(46,633)**	**4,759**	**(89,885)**
Interest income	2,096	2,149	4,817	4,368
Interest expense	(1,109)	—	(1,635)	—
Gain on bargain purchase	—	(106)	—	22,049
Other income (expense), net	(3,093)	(324)	(2,657)	(494)
(Loss)/profit before income tax expense	**(16,786)**	**(44,914)**	**5,284**	**(63,962)**
Income tax expense	(831)	(687)	(1,883)	(1,992)
Net (loss)/profit attributable to ordinary shareholders	**$ (17,617)**	**$ (45,601)**	**$ 3,401**	**$ (65,954)**
Net (loss)/profit per ordinary share				
Basic	**$ (0.01)**	**$ (0.03)**	**$ 0.00**	**$ (0.06)**
Diluted	**$ (0.01)**	**$ (0.03)**	**$ 0.00**	**$ (0.06)**
Weighted average shares outstanding:				
Basic	1,534,613,977	1,357,849,656	1,506,565,234	1,153,791,567
Diluted	1,534,613,977	1,357,849,656	1,537,021,778	1,153,791,567

See accompanying notes to unaudited condensed consolidated financial statements.

ADAPTIMMUNE THERAPEUTICS PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/LOSS
(In thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net (loss)/profit	**$ (17,617)**	**$ (45,601)**	**$ 3,401**	**$ (65,954)**
Other comprehensive (loss)/income, net of tax				
Foreign currency translation adjustments, net of tax of $0, and $0	(43,558)	24,359	(38,835)	(4,830)
Foreign currency gains (losses) on intercompany loan of a long-term investment nature, net of tax of $0, and $0	41,777	(21,321)	37,396	4,794
Unrealized holding gains (losses) on available-for-sale debt securities, net of tax of $0, and $0	57	69	51	926
Reclassification adjustment for gains on available-for-sale debt securities included in net loss, net of tax of $0, $0, and $0	—	87	—	87
Total comprehensive (loss)/profit for the period	**$ (19,341)**	**$ (42,407)**	**$ 2,013**	**$ (64,977)**

See accompanying notes to unaudited condensed consolidated financial statements.

ADAPTIMMUNE THERAPEUTICS PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
(In thousands, except share data)

	Common stock	Common stock	Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total stockholders' equity
Balance as of January 1, 2024	1,363,008,102	$ 1,865	$ 1,064,569	$ (3,748)	$ (1,023,173)	$ 39,513
Net loss	—	—	—	—	(48,503)	(48,503)
Other comprehensive profit	—	—	—	1,028	—	1,028
Issuance of shares upon exercise of stock options	6,297,720	8	66	—	—	74
Issue of shares under At The Market sales agreement, net of commission and expenses	163,669,056	208	28,953	—	—	29,161
Share-based compensation expense	—	—	3,102	—	—	3,102
Balance as of March 31, 2024	**1,532,974,878**	**$ 2,081**	**$ 1,096,690**	**$ (2,720)**	**$ (1,071,676)**	**$ 24,375**
Net profit	—	—	—	—	69,521	69,521
Other comprehensive loss	—	—	—	(692)	—	(692)
Issuance of shares upon exercise of stock options	1,245,726	2	—	—	—	2
Issue of shares under At The Market sales agreement, net of commission and expenses	—	—	10	—	—	10
Share-based compensation expense	—	—	3,058	—	—	3,058
Balance as of June 30, 2024	**1,534,220,604**	**$ 2,083**	**$ 1,099,758**	**$ (3,412)**	**$ (1,002,155)**	**$ 96,274**
Net loss	—	—	—	—	(17,617)	(17,617)
Other comprehensive loss	—	—	—	(1,724)	—	(1,724)
Issuance of shares upon exercise of stock options	668,886	1	—	—	—	1
Share-based compensation expense	—	—	3,055	—	—	3,055
Balance as of September 30, 2024	**1,534,889,490**	**$ 2,084**	**$ 1,102,813**	**$ (5,136)**	**$ (1,019,772)**	**$ 79,989**

See accompanying notes to unaudited condensed consolidated financial statements.

ADAPTIMMUNE THERAPEUTICS PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
(In thousands, except share data)

	Common stock	Common stock	Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total stockholders' equity
Balance as of January 1, 2023	987,109,890	$ 1,399	$ 990,656	$ (875)	$ (909,302)	$ 81,878
Net profit	—	—	—	—	1,036	1,036
Other comprehensive loss	—	—	—	(910)	—	(910)
Issuance of shares upon exercise of stock options	6,035,574	7	1	—	—	8
Issuance of shares upon completion of public offering, net of issuance costs	554,496	1	187	—	—	188
Share-based compensation expense	—	—	1,676	—	—	1,676
Balance as of March 31, 2023	**993,699,960**	**$ 1,407**	**$ 992,520**	**$ (1,785)**	**$ (908,266)**	**$ 83,876**
Net loss	—	—	—	—	(21,389)	(21,389)
Other comprehensive loss	—	—	—	(1,307)	—	(1,307)
Issuance of shares upon exercise of stock options	698,778	1	13	—	—	14
Issuance of shares upon acquisition of TCR[2]	357,429,306	443	60,320	—	—	60,763
Share-based compensation expense	—	—	4,694	—	—	4,694
Balance as of June 30, 2023	**1,351,828,044**	**$ 1,851**	**$ 1,057,547**	**$ (3,092)**	**$ (929,655)**	**$ 126,651**
Net loss	—	—	—	—	(45,601)	(45,601)
Issuance of shares upon exercise of stock options	—	—	—	3,194	—	3,194
Issuance of shares under At The Market sales agreement, net of commission and expenses	6,466,992	9	152	—	—	161
Other comprehensive gain	3,300,000	3	432	—	—	435
Share-based compensation expense	—	—	3,289	—	—	3,289
Balance as of September 30, 2023	**1,361,595,036**	**$ 1,863**	**$ 1,061,420**	**$ 102**	**$ (975,256)**	**$ 88,129**

See accompanying notes to unaudited condensed consolidated financial statements.

ADAPTIMMUNE THERAPEUTICS PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine months ended September 30,	
	2024	**2023**
Cash flows from operating activities		
Net profit/(loss)	$ 3,401	$ (65,954)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	8,156	6,647
Amortization	234	322
Gain on bargain purchase	—	(22,049)
Share-based compensation expense	9,215	8,692
Unrealized foreign exchange losses	3,164	709
Accretion on available-for-sale debt securities	(544)	(1,595)
Other	(104)	253
Changes in operating assets and liabilities:		
Decrease/(increase) in receivables and other operating assets	5,426	(709)
Increase in inventories	(1,869)	—
Increase/(decrease) in payables and other current liabilities	1,173	(7,792)
Increase in noncurrent assets	(926)	—
Increase in borrowings and other non-current liabilities	1,480	—
Decrease in deferred revenue	(67,808)	(44,728)
Net cash used in operating activities	**(39,002)**	**(126,204)**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(667)	(3,854)
Acquisition of intangible assets	(880)	(199)
Cash from acquisition of TCR2 Therapeutics Inc.	—	45,264
Maturity or redemption of marketable securities	—	139,243
Investment in marketable securities	(65,701)	(73,026)
Other	129	913
Net cash (used in)/provided by investing activities	**(67,119)**	**108,341**
Cash flows from financing activities		
Proceeds from issuance of borrowings, net of discount	49,500	—
Proceeds from issuance of common stock from offerings, net of commissions and issuance costs	29,171	623
Proceeds from exercise of stock options	77	183
Net cash provided by financing activities	**78,748**	**806**
Effect of currency exchange rate changes on cash, cash equivalents and restricted cash	(222)	527
Net decrease in cash, cash equivalents and restricted cash	(27,595)	(16,530)
Cash, cash equivalents and restricted cash at start of period	147,017	109,602
Cash, cash equivalents and restricted cash at end of period	**$ 119,422**	**$ 93,072**

See accompanying notes to unaudited condensed consolidated financial statements.

ADAPTIMMUNE THERAPEUTICS PLC
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — General

Adaptimmune Therapeutics plc is registered in England and Wales. Its registered office is 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire, OX14 4RX, United Kingdom. Adaptimmune Therapeutics plc and its subsidiaries (collectively "Adaptimmune" or the "Company") is a commercial-stage biopharmaceutical company primarily focused on the treatment of solid tumor cancers with cell therapies. The Company's proprietary platform enables it to identify cancer targets, find and develop cell therapy candidates active against those targets and produce therapeutic candidates for administration to patients.

The Company is subject to a number of risks similar to other biopharmaceutical companies in the clinical development stage including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical programs or clinical programs, the need to obtain marketing approval for its cell therapies, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of its cell therapies, the need to develop a reliable commercial manufacturing process, the need to commercialize any cell therapies that may be approved for marketing, and protection of proprietary technology. If the Company does not successfully commercialize any of its cell therapies, it will be unable to generate product revenue or achieve profitability. The Company had an accumulated deficit of $1,019,772,000 as of September 30, 2024.

Note 2 — Summary of Significant Accounting Policies

(a) Basis of presentation

The condensed consolidated financial statements of Adaptimmune Therapeutics plc and its subsidiaries and other financial information included in this Quarterly Report are unaudited and have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and are presented in U.S. dollars. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated on consolidation.

The unaudited condensed consolidated financial statements presented in this Quarterly Report should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's 2023 Annual Report. The balance sheet as of December 31, 2023 was derived from audited consolidated financial statements included in the Company's 2023 Annual Report but does not include all disclosures required by U.S. GAAP. The Company's significant accounting policies are described in Note 2 to those consolidated financial statements.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from these interim financial statements. However, these interim financial statements include all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary to fairly state the results of the interim period. The interim results are not necessarily indicative of results to be expected for the full year.

(b) Use of estimates in interim financial statements

The preparation of interim financial statements, in conformity with U.S. GAAP and SEC regulations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are made in various areas, including in relation to valuation allowances relating to deferred tax assets, revenue recognition, the fair value of assets acquired, liabilities assumed and consideration transferred in business combinations, and estimation of the incremental borrowing rate for operating leases. If actual results differ from the Company's estimates, or to the extent these estimates are adjusted in future periods, the Company's results of operations could either benefit from, or be adversely affected by, any such change in estimate.

(c) Fair value measurements

The Company 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 Company's own assumptions about the assumptions market participants would use in pricing the asset or liability

The carrying amounts of the Company'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 marketable securities, which are measured at fair value on a recurring basis is detailed in Note 6, Fair value measurements.

(d) Significant concentrations of credit risk

The Company held cash and cash equivalents of $116,741,000, marketable securities of $69,349,000 and restricted cash of $2,681,000 as of September 30, 2024. The cash and cash equivalents and restricted cash are held with multiple banks and the Company monitors the credit rating of those banks. The Company maintains cash balances in excess of amounts insured by the Federal Deposit Insurance Corporation in the United States and the U.K. Government Financial Services Compensation Scheme in the United Kingdom. The Company'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.

The Company had three customers during the three and nine months ended September 30, 2024 which are Galapagos NV ("Galapagos"), Genentech, Inc. and F. Hoffmann-La Roche Ltd (together, "Genentech") and GSK. There were accounts receivable of $12,500,000 as of September 30, 2024 and $821,000 as of December 31, 2023. The Company has been transacting with Galapagos since 2024, Genentech since 2021 and GSK since 2014, during which time no credit losses have been recognized. As of September 30, 2024, no allowance for expected credit losses is recognized on the basis that the possibility of credit losses arising on its receivables as of September 30, 2024 is considered to be remote. As of September 30, 2024 there are no receivables, either accrued or billed, due from Genentech that are no longer recoverable following the termination of the collaboration and license agreement with Genentech (the "Genentech Collaboration Agreement") in April 2024, that became effective on September 23, 2024.

Management analyzes current and past due accounts and determines if an allowance for credit losses is required based on collection experience, credit worthiness of customers and other relevant information. The process of estimating the uncollectible accounts involves assumptions and judgments and the ultimate amounts of uncollectible accounts receivable could be in excess of the amounts provided.

(e) New accounting pronouncements

Adopted in the current period

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07 – Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures, which improves segment disclosure requirements, primarily through enhanced disclosure requirements for significant segment expenses. The improved disclosure requirements apply to all public entities that are required to report segment information, including those with only one reportable segment. The Company adopted the guidance in the fiscal year beginning January 1, 2024. There was no impact on the Company's reportable segments identified and additional required disclosures have been included in Note 15.

In March 2024, the FASB issued ASU 2024-02 - Codification Improvements—Amendments to remove References to the Concepts Statements, which contains amendments to the Codification that remove references to various FASB Concepts Statements. The amendments apply to all reporting entities within the scope of the affected accounting guidance and are effective for public business entities for fiscal years beginning after December 15, 2024, with early adoption permitted for all entities. The Company adopted the guidance in the fiscal year beginning January 1, 2024. There was no impact on the Company's financial statements.

To be adopted in future periods

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09 – Income Taxes (Topic 740) – Improvements to Income Tax Disclosures, which improves income tax disclosures primarily relating to the rate reconciliation and income taxes paid information. This includes a tabular reconciliation using both percentages and reporting currency amounts, covering various tax and reconciling items, and disaggregated summaries of income taxes paid during the period. For public business entities, the guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company intends to adopt the guidance in the fiscal year beginning January 1, 2025. The Company is currently evaluating the impact of the guidance on its Consolidated financial statements.

(f) Borrowings

The Company recognizes borrowings comprised solely of contractual payments on fixed or determinable dates that are issued solely for cash equal to their face value, at face value with the difference between the face amount and proceeds received upon issuance shown as either a discount or premium.

These notes are subsequently measured using the Interest Method, with the total interest being measured as the difference between the actual amount of cash received by the Company and the total amount agreed to be repaid. The interest charge in a given period is based on the effective interest rate, which is the rate implicit in the note based on the contractual cash flows. The discount or premium on the note is amortized as interest expense over the life of the note so as to produce a constant rate of interest.

(g) Inventory

The Company commences capitalization of inventory once regulatory approval is received or considered probable. Until this date, the Company expenses all such costs as incurred as research and development expenses. The Company capitalizes material costs, labor and applicable overheads that are incurred in the production of its commercial product.

The Company values inventory at the lower of cost or net realizable value on a first-in-first-out basis. The Company reviews the recoverability of inventory each reporting period to determine any changes to net realizable airisng from excess, slow-moving or obsolete inventory. If net realizable value is lower than cost, the inventory will be written down to net realizable value and an impairment charge will be recognized in Cost of goods sold.

Inventory that can be used for either clinical or commercial purposes is classified initially as inventory. Inventory that is subsequently designated to be used in clinical trials and is no longer available for use in commercial products is expensed as research and development expenditure from the point that it becomes exclusively for clinical use.

Note 3 — Revenue

The Company generates development revenue from collaboration agreements with customers. The Company had three revenue-generating contracts with customers in the three and nine months ended September 30, 2024, compared to two customers in the three months ended September 30, 2023, and three customers in the nine months ended September 30, 2023: a termination and transfer agreement with GSK that was entered into on April 6, 2023 (the "Termination and Transfer Agreement"), a collaboration and license agreement with Galapagos executed on May 30, 2024 (the "Galapagos Collaboration Agreement"), the Genentech Collaboration Agreement and a collaboration agreement with Astellas Pharma Inc. ("Astellas") (the "Astellas Collaboration Agreement") that was

terminated as of March 6, 2023. The Genentech Collaboration Agreement was terminated in April 2024 which subsequently became effective on September 23, 2024.

Revenue comprises the following categories (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Development revenue	$ 40,901	$ 7,319	$ 174,810	$ 60,050
	$ 40,901	**$ 7,319**	**$ 174,810**	**$ 60,050**

No revenue was generated from commercial sales in the three and nine months ended September 30, 2024.

Deferred revenue decreased by $60,593,000 from $178,033,000 at December 31, 2023 to $117,440,000 at September 30, 2024 due to revenue recognized during the period of $161,007,000 that was included in deferred revenue at December 31, 2023 and a $9,130,000 decrease caused by the change in the exchange rate between pound sterling and the U.S. dollar from £1.00 to $1.27 at December 31, 2023 to £1.00 to $1.34 at September 30, 2024. This was partially offset by a payment of $85,000,000 from Galapagos and milestones totalling $9,673,000 from GSK that were met and paid during the nine months ended September 30, 2024.

The aggregate amount of the transaction price that is allocated to performance obligations that are unsatisfied or partially satisfied under the agreements as of September 30, 2024 was $128,150,000.

The Galapagos Collaboration and Exclusive License Agreement

On May 30, 2024, the Company entered into the Galapagos Collaboration Agreement, a clinical collaboration agreement with Galapagos. The Galapagos Collaboration Agreement includes an option for Galapagos to exclusively license the TCR T-cell therapy candidate uza-cel, manufactured on Galapagos' decentralized manufacturing platform, in head and neck cancer and potential future solid tumor indications. Under the Galapagos Collaboration Agreement, we will conduct a clinical proof-of-concept trial (the "POC Trial") to evaluate the safety and efficacy of uza-cel produced on Galapagos' decentralized manufacturing platform in patients with head and neck cancer.

The Company will receive initial payments of $100 million, comprising $70 million upfront and $30 million of research and development funding of which $15 million is due upfront and $15 million is due once the first patient is infused in the POC Trial, option exercise fees of up to $100 million (the amount depending on the number of indications in relation to which the option is exercised), additional development and sales milestone payments of up to a maximum of $465 million, plus tiered royalties on net sales. The $70 million upfront payment and $15 million of upfront research and development funding was received in June 2024.

The Company determined that Galapagos is a customer and has accounted for the agreement under ASC 606 *Revenue from Contracts with Customers*. The Company has identified a performance obligation relating to the various activities required to complete the POC trial and a material right associated with the exclusive license option.

The aggregate transaction price at inception of the Galapagos Collaboration Agreement was $100,000,000 comprising the $70,000,000 upfront payment and the $30,000,000 research and development funding. The fees for the exclusive license option exercise and development milestone payments are not considered probable as of September 30, 2024 and have not been included in the transaction price. The sales milestones and royalties for future sales of therapies have not been included within the transaction price as of September 30, 2024 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 the internal pricing objectives it used in negotiating the contract, together with internal data regarding the expected costs and a standard margin on those costs, for completing the POC Trial. The residual approach was used to value the material right associated with the exclusive license option as the Company has not previously sold uza-cel on a standalone basis and has not established a price for uza-cel.

The Company expects to satisfy the POC Trial obligation over time over the period that the trial is completed, based on an estimate of the percentage of completion of the trial determined based on the costs incurred on the trial as a percentage of the total expected costs. The revenue allocated to the material right associated with the exclusive licence option will be recognized from the point that the option is either exercised and control of the license has passed to Galapagos or the option lapses.

The amount of the transaction price that is allocated to performance obligations that are unsatisfied or partially satisfied under the agreement as of September 30, 2024 was $99,836,000, of which $44,236,000 is allocated to the POC Trial performance obligation and $55,600,000 is allocated to the material right for the exclusive option.

The Genentech Collaboration and License Agreement

On April 12, 2024 the Company announced the termination of the Genentech Collaboration Agreement, entered into by Adaptimmune Limited, a wholly-owned subsidiary of the Company, in relation to the research, development and commercialization of cancer targeted allogeneic T-cell therapies which was originally scheduled to be effective from October 7, 2024. The termination was accounted for as a contract modification on a cumulative catch-up basis. The termination did not change the nature of the performance obligations identified but resulted in a reduction in the transaction price as the additional payments and variable consideration that would have been due in periods after October 7, 2024 will now never be received.

The Company originally expected to satisfy the performance obligations relating to the initial 'off-the-shelf' collaboration targets and the personalized therapies as development progressed and recognized 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 expected to satisfy the performance obligations relating to the material rights to designate additional 'off-the-shelf' collaboration targets from the point that the options would have been exercised and then as development progressed, in line with the initial 'off-the-shelf' collaboration targets, or at the point in time that the rights expired. The Company expected to satisfy the performance obligations relating to the material rights to extend the research term from the point that the options would have been exercised and then over the period of the extension, or at the point in time that the rights expired.

The aggregate remaining transaction price that had not yet been recognized as revenue as of the date of the termination was $146,301,000 which included the remaining deferred revenue that had not been recognized as revenue as of the date of the modification and the variable consideration to be billed under the collaboration until the effective date of the termination that is still considered probable. The termination resulted in a cumulative catch-up adjustment to revenue at the date of the termination of $101,348,000 and a further $20,741,000 of revenue recognized in the second quarter of 2024.

On September 23, 2024, the Adaptimmune Limited entered into a Mutual Release and Resolution Agreement (the "Mutual Release Agreement") with Genentech. This agreement, among other things, resolved and released each party from any and all past, present and future disputes, claims, demands and causes of action, whether known or unknown, related to the Genentech Collaboration Agreement in any way. Under the terms of the Mutual Release Agreement, Genentech will pay the Company $12.5 million upon which the Genentech Collaboration Agreement will be terminated. The Agreement was effective immediately as of September 23, 2024.

The Mutual Release Agreement resulted in all remaining performance obligations being fully satisfied and the remaining deferred revenue of $25,298,000 and the additional payment of $12,500,000 were both recognized as total revenue of $37,798,000 in the third quarter of 2024.

The GSK Termination and Transfer Agreement

On April 6, 2023, the Company and GSK entered into the Termination and Transfer Agreement, regarding the return of rights and materials comprised within the PRAME and NY-ESO cell therapy programs. The parties will work collaboratively to ensure continuity for patients in ongoing lete-cel clinical trials forming part of the NY-ESO cell therapy program.

As part of the Termination and Transfer Agreement, sponsorship and responsibility for the ongoing IGNYTE and long-term follow-up ("LTFU") trials relating to the NY-ESO cell therapy program will transfer to the Company. In return for this, the Company received an upfront payment of £7.5 million in June 2023, following the signing of the agreement, and milestone payments of £3 million, £12 million, £6 million and £1.5 million in September and December 2023 and June and August 2024, respectively. No further payments are due from GSK under the Termination and Transfer Agreement.

The Company determined that GSK is a customer and has accounted for the Termination and Transfer Agreement under ASC 606 *Revenue from Contracts with Customers*. The Termination and Transfer Agreement is accounted for as a separate contract from the original Collaboration and License Agreement with GSK. The agreement was terminated in October 2022 and the termination became effective on December 23, 2022. The Company has identified the following performance obligations under the Termination and Transfer Agreement: (i) to take over sponsorship for the IGNYTE trial and (ii) to take over sponsorship for the LTFU trial.

The aggregate transaction price at inception of the agreement was $37,335,000 comprising the total £30,000,000 upfront and milestone payments. No value was ascribed to non-cash consideration and there was no variable consideration identified. 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 the internal pricing objectives it used in negotiating the contract, together with internal data regarding the expected costs and a standard margin on those costs, for completing the trials. 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 over time from the point that sponsorship of the active trials that make up the trial transfers and then over the period that the trial is completed, based on the number of patients transferred and still actively enrolled to date on the trial at a given period-end relative to the total estimated periods of active patient enrollment over the estimated duration of the trial.

The Company considers that this depicts the progress of the completion of the trials under the Termination and Transfer Agreement, as the status of patients on the trial is not directly affected by decisions that the Company might make relating to its own development of the NY-ESO cell therapy program.

The amount of the transaction price that is allocated to performance obligations that are unsatisfied or partially satisfied under the agreement as of September 30, 2024 was $28,314,000, of which $11,744,000 is allocated to the IGNYTE performance obligation and $16,570,000 is allocated to the LTFU performance obligation.

The Astellas Collaboration Agreement

The Company and Universal Cells mutually agreed to terminate the Astellas Collaboration Agreement as of March 6, 2023 (the "Termination Date"). In connection with the termination, all licenses and sublicenses granted to either party pursuant to the Astellas Collaboration Agreement ceased as of the Termination Date. There were no termination penalties in connection with the termination; however the Company is still entitled to receive reimbursement for research and development work performed up to and including a period of 30 days after the Termination Date.

The termination was accounted for as a contract modification on a cumulative catch-up basis. No performance obligations were identified as a result of the modification as there were no further goods or services to be provided by the Company and the modification resulted in the remaining unsatisfied and partially satisfied performance obligations under the collaboration becoming fully satisfied. The aggregate transaction price of the contract modification was $42,365,000 which included the remaining deferred income that had not been recognized as revenue as of the date of the modification and variable consideration from the remaining reimbursement income to be billed under the collaboration at the end of the 30 day period after the Effective Date. The transaction price of the modification was recognized in full in March 2023 and there is no remaining transaction price allocated to performance obligations that are unsatisfied or partially satisfied under, no remaining deferred income relating to, the Astellas Collaboration Agreement as of September 30, 2024 and no revenue was recognized in 2024.

Note 4 — (Loss)/profit per share

The following tables reconcile the numerator and denominator in the basic and diluted (loss)/profit per share computation (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Numerator for basic and diluted (loss)/profit per share				
Net (loss)/profit attributable to ordinary shareholders	$ (17,617)	$ (45,601)	$ 3,401	$ (65,954)
Net (loss)/profit attributable to ordinary shareholders used for basic and diluted (loss)/profit per share	**$ (17,617)**	**$ (45,601)**	**$ 3,401**	**$ (65,954)**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Denominator for basic (loss)/profit per share - Weighted average shares outstanding	1,534,613,977	1,357,849,656	1,506,565,234	1,153,791,567
Effect of dilutive securities:				
Employee stock options	—	—	30,456,544	—
Denominator for diluted (loss)/profit per share	**1,534,613,977**	**1,357,849,656**	**1,537,021,778**	**1,153,791,567**

The dilutive effect of 132,452,050 and 259,677,864 weighted stock options outstanding for the three and nine months ended September 30, 2024 respectively, and 200,370,627 for the three and nine months ended September 30, 2023 have been excluded from the diluted (loss)/profit per share calculation for the three and nine months ended September 30, 2024 and 2023 because they would have an antidilutive effect on the (loss)/profit per share for the period.

Note 5 — Accumulated other comprehensive (loss)/income

The Company reports foreign currency translation adjustments and the foreign exchange gain or losses arising on the revaluation of intercompany loans of a long-term investment nature within Other comprehensive (loss) income. Unrealized gains and losses on available-for-sale debt securities are also reported within Other comprehensive (loss) income until a gain or loss is realized, at which point they are reclassified to Other (expense) income, net in the Condensed Consolidated Statement of Operations.

The following tables show the changes in accumulated other comprehensive (loss) income (in thousands):

	Accumulated foreign currency translation adjustments	Accumulated unrealized (losses) gains on available-for-sale debt securities	Total accumulated other comprehensive (loss) income
Balance at January 1, 2024	$ (3,754)	$ 6	$ (3,748)
Foreign currency translation adjustments	6,815	—	6,815
Foreign currency gains on intercompany loan of a long-term investment nature, net of tax of $0	(5,782)	—	(5,782)
Unrealized holding gains on available-for-sale debt securities, net of tax of $0	—	(5)	(5)
Balance at March 31, 2024	**$ (2,721)**	**$ 1**	**$ (2,720)**
Foreign currency translation adjustments	(2,091)	—	(2,091)
Foreign currency gains on intercompany loan of a long-term investment nature, net of tax of $0	1,400	—	1,400
Unrealized holding gains on available-for-sale debt securities, net of tax of $0	—	(1)	(1)
Balance at June 30, 2024	**$ (3,412)**	**$ —**	**$ (3,412)**
Foreign currency translation adjustments	(43,558)	—	(43,558)
Foreign currency losses on intercompany loan of a long-term investment nature, net of tax of $0	41,777	—	41,777
Unrealized holding gains on available-for-sale debt securities, net of tax of $0	—	57	57
Balance at September 30, 2024	**$ (5,193)**	**$ 57**	**$ (5,136)**

	Accumulated foreign currency translation adjustments	Accumulated unrealized (losses) on available-for-sale debt securities	Total accumulated other comprehensive (loss) income
Balance at January 1, 2023	**$ 55**	**$ (930)**	**(875)**
Foreign currency translation adjustments	(16,908)	—	(16,908)
Foreign currency gains on intercompany loan of a long-term investment nature, net of tax of $0	15,526	—	15,526
Unrealized holding gains on available-for-sale debt securities, net of tax of $0	—	472	472
Balance at March 31, 2023	**$ (1,327)**	**$ (458)**	**$ (1,785)**
Foreign currency translation adjustments	(12,281)	—	(12,281)
Foreign currency losses on intercompany loan of a long-term investment nature, net of tax of $0	10,590	—	10,590
Unrealized holding losses on available-for-sale debt securities, net of tax of $0	—	385	385
Balance at June 30, 2023	**$ (3,018)**	**$ (73)**	**$ (3,091)**
Foreign currency translation adjustments	24,359	—	24,359
Foreign currency losses on intercompany loan of a long-term investment nature, net of tax of $0	(21,321)	—	(21,321)
Reclassification from accumulated other comprehensive income of gains on available-for-sale debt securities included in net loss, net of tax of $0	—	69	69
Unrealized holding gains on available-for-sale debt securities, net of tax of $0	—	87	87
Balance at September 30, 2023	**$ 19**	**$ 83**	**$ 102**

Note 6 — Fair value measurements

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 September 30, 2024 are as follows (in thousands):

	September 30, 2024	Fair value measurements using Level 1	Level 2	Level 3
Assets classified as cash equivalents:				
U.S. Treasury securities	$ 3,996	$ —	$ 3,996	$ —
Assets classified as available-for-sale debt securities:				
Agency bonds	$ 17,015	$ —	$ 17,015	$ —
Corporate debt securities	17,172	17,172		
U.S. Treasury securities	35,162	—	35,162	—
	$ 69,349	**$ 17,172**	**$ 52,177**	**$ —**

The Company estimates the fair value of available-for-sale debt securities 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.

Note 7 — Marketable securities – available-for-sale debt securities

As of September 30, 2024, the Company had the following investments in marketable securities (in thousands):

	Remaining contractual maturity	Amortized cost	Gross unrealized gains	Gross unrealized losses	Aggregate estimated fair value
Cash equivalents:					
U.S. Treasury securities	Less than 3 months	$ 3,996	$ —	$ —	$ 3,996
		$ 3,996	**$ —**	**$ —**	**$ 3,996**
Available-for-sale debt securities:					
Agency bonds	Less than 3 months	$ 10,072	$ 9	$ —	$ 10,081
Corporate debt securities	Less than 3 months	15,172	3	(1)	15,174
U.S. Treasury securities	Less than 3 months	18,867	13	—	18,880
Agency bonds	3 months to 1 year	6,926	9	—	6,935
Corporate debt securities	3 months to 1 year	1,994	3	—	1,997
U.S. Treasury securities	3 months to 1 year	16,262	20	—	16,282
		$ 69,293	**$ 57**	**$ (1)**	**$ 69,349**

The aggregate fair value (in thousands) and number of securities held by the Company (including those classified as cash equivalents) in an unrealized loss position as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024			December 31, 2023		
	Fair market value of investments in an unrealized loss position	Number of investments in an unrealized loss position	Unrealized losses	Fair market value of investments in an unrealized loss position	Number of investments in an unrealized loss position	Unrealized losses
Marketable securities in a continuous loss position for less than 12 months:						
Corporate debt securities	$ 1,481	1	$ —	$ 1,600	1	$ (1)
	$ 1,481	**1**	**$ —**	**$ 1,600**	**1**	**$ (1)**

As of September 30, 2024, no allowance for expected credit losses has been recognized in relation to the security in an unrealized loss position. This is because the unrealized loss is not severe, does not represent a significant proportion of the total fair market value of the investment and the security has an investment-grade credit rating. Furthermore, the Company does not intend to sell the debt security in an unrealized loss position, believes that it has the ability to hold the debt security to maturity, and it is currently unlikely that the Company will be required to sell this security before the recovery of the amortized cost.

Note 8 — Other current assets

Other current assets consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Research and development credits receivable	$ 24,905	$ 46,098
Prepayments	14,164	9,954
Clinical materials	97	1,329
VAT receivable	1,209	—
Other current assets	3,375	2,412
	$ 43,750	**$ 59,793**

On January 19, 2024, a receipt of £24.2 million ($30.8 million) was received from HMRC relating to the Research and development credits receivable.

Note 9 — Operating leases

The Company has operating leases in relation to property for office, manufacturing and research facilities.

The following table shows the lease costs for the nine months ended September 30, 2024 and 2023 and the weighted-average remaining lease term and the weighted-average discount rate as at September 30, 2024 and 2023:

	Nine months ended September 30,	
	2024	2023
Lease cost:		
Operating lease cost	$ 5,114	$ 4,168
Short-term lease cost	98	643
	$ 5,212	**$ 4,811**

	September 30,	
	2024	2023
Weighted-average remaining lease term - operating leases	6.9 years	5.6 years
Weighted-average discount rate - operating leases	10.1%	8.5%

The maturities of operating lease liabilities as of September 30, 2024 are as follows (in thousands):

	Operating leases
2024	$ 1,678
2025	5,715
2026	4,503
2027	4,335
2028	4,387
after 2028	12,306
Total lease payments	**32,924**
Less: Imputed interest	(8,294)
Present value of lease liability	**$ 24,630**

The maximum lease term without activation of termination options is to 2041.

Note 10 — Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Accrued clinical and development expenditure	$ 13,281	$ 12,351
Accrued employee expenses	11,276	13,226
VAT payable	—	1,398
Other accrued expenditure	5,780	3,277
Other	1,167	51
	$ **31,504**	$ **30,303**

Note 11 — Share-based compensation

The following table shows the total share-based compensation expense included in the unaudited consolidated statements of operations (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Research and development	$ 1,069	$ 789	$ 2,878	$ 2,190
Selling, general and administrative	1,985	2,394	6,337	6,506
	$ 3,054	**$ 3,183**	**$ 9,215**	**$ 8,696**

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Number of options over ordinary shares granted	10,856,580	7,082,892	54,839,004	59,070,294
Weighted average fair value of ordinary shares options	$ 0.13	$ 0.12	$ 0.12	$ 0.12
Number of additional options with a nominal exercise price granted	3,001,032	465,960	33,656,856	26,480,652
Weighted average fair value of options with a nominal exercise price	$ 0.16	$ 0.15	$ 0.15	$ 0.27

Note 12 — Stockholders' equity

On April 8, 2022 the Company entered into a sales agreement with 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" offerings ("ATM") for an aggregate offering price of up to $200 million. In the nine months ended September 30, 2024 the Company sold 27,278,176 ADSs under the Sales Agreement representing 163,669,056 ordinary shares resulting in net proceeds to the Company of $29,155,317 after deducting commissions payable under the Sales Agreement and issuance costs. As of September 30, 2024, approximately $156,228,841 remained available for sale under the Sales Agreement.

Note 13 – Business combinations

On March 6, 2023 the Company announced entry into a definitive agreement under which it would combine with TCR^2 Therapeutics Inc. ("TCR^2") in an all-stock transaction to create a preeminent cell therapy company focused on treating solid tumors. TCR^2 is a Boston, Massachusetts-based T-cell therapy company focused on treating solid tumours, with clinical franchises undergoing trials and a preclinical pipeline. The combination provides extensive benefits for clinical development and product delivery supported by complementary technology platforms.

The transaction was approved by the Company's shareholders and TCR^2 stockholders on May 30, 2023 and the merger became effective on June 1, 2023. The Company issued 357,429,306 shares to TCR^2 stockholders in return for 100% of TCR^2's stock. As a result, TCR^2 and all entities within the TCR^2 group, became wholly-owned by the Company. Following the completion of the transaction, the former TCR^2 stockholders held approximately 25% of the Company, whereas the Company's pre-existing shareholders held approximately 75%.

The Company was identified as the acquirer, with TCR^2 as the acquiree, and June 1, 2023 was determined to be the acquisition date.

The consideration transferred for TCR^2 includes the shares issued by the Company to former TCR^2 shareholders, plus the fair value of replacement awards of the Company granted to TCR^2 grantholders attributable to pre-combination vesting. The table below summarizes the consideration transferred and the amounts of the assets acquired and liabilities assumed recognized at the acquisition date:

Consideration transferred:		
Fair value of 357,429,306 ordinary shares issued	$	60,763
Fair value of replacement options and RSU-style options granted attributable to pre-combination service:		963
Purchase consideration	**$**	**61,726**
Identifiable assets acquired and liabilities assumed:		
Assets acquired		
Cash and cash equivalents	$	43,610
Restricted cash		1,654
Marketable securities - available-for-sale debt securities		39,532
Other current assets and prepaid expenses		6,029
Property, plant and equipment		2,712
Operating lease right-of-use assets		5,145
Intangible assets		58
Total assets acquired	**$**	**98,740**
Liabilities assumed		
Accounts payable		(6,210)
Accrued expenses and other current liabilities		(4,537)
Operating lease liabilities, current		(1,974)
Operating lease liabilities, non-current		(2,244)
Total liabilities assumed	**$**	**(14,965)**
Net assets acquired and liabilities assumed	**$**	**83,775**

The fair value of the 357,429,306 ordinary shares issued to TCR^2 stockholders of $60,763,000 was determined on the basis of the closing market price of $1.02 ($0.17 per ordinary share) of the Company's ADSs as of May 31, 2023.

The assets acquired and liabilities assumed were measured based on management's estimates of the fair value as of the acquisition date, excluding leases.

The lease contracts acquired by the Company relate to the rental of office and manufacturing spaces in which TCR^2 was the lessee. The Company retained TCR^2's previous classification of acquired leases as operating leases as there were no lease modifications as a result of the combination, with the exception of leases with a remaining lease term of 12 months or less at the acquisition date, for which no assets or liabilities were recognized at the acquisition date. The lease liabilities were measured at the present value of the remaining lease payments as if the leases were a new lease as of June 1, 2023, discounted using the incremental borrowing rate. The right-of-use assets were measured at the same amount as the lease liabilities, with adjustments to reflect favorable or unfavorable terms compared to market terms. No intangible assets were identified in relation to lease contracts acquired.

The table below summarises the calculation for the gain on bargain purchase, recognized in the Gain on bargain purchase line in the Consolidated Statement of Operations:

Gain on bargain purchase		
Purchase consideration	$	(61,726)
Net assets acquired and liabilities assumed		83,775
Gain on bargain purchase	**$**	**22,049**

The gain on bargain purchase above includes the impact of a $106,000 reduction recognized in the third quarter of 2023 following finalization of provisional amounts relating to replacement awards.

The transaction resulted in a gain on bargain purchase as the purchase consideration included in the agreement on March 6, 2023 comprising Company ADSs was based on a fixed ratio of 1.5117 of the Company's ADSs to be issued for each TCR^2 stock acquired. As the transaction was an all-stock transaction, the value of the consideration was highly sensitive to changes in the Company's ADS price. The price of a Company ADS fell from a closing price of $1.32 on March 6, 2023 compared to a closing price of $1.02 on May 31, 2023.

The amount of revenue and earnings of the combined entity for the nine months ended September 30, 2023, had the acquisition date been January 1, 2022, would be as follows:

		Nine months ended September 30, 2023
Revenue	$	60,050
Net loss		(129,684)

The supplemental pro forma earnings for the nine months ended September 30, 2023 were adjusted to exclude the $22.0 million Gain on bargain purchase, $7.3 million of acquisition-related costs recognized by the Company, as detailed below, and the $9.0 million of acquisition-related costs incurred by TCR^2 during that period. The supplemental pro forma earnings was adjusted to include the impact of replacement options issued, as if these had been issued as of January 1, 2022. Accordingly, the share-based compensation expense recognized by TCR^2 in the five months ended May 31, 2023 prior to the acquisition by the Company, of $1.0 million were excluded from the pro forma earnings.

TCR^2 did not generate revenue in the period from January 1, 2023 to June 30, 2023, as it had no contracts with customers, so there was no impact on the revenue included in the Company's Consolidated Statement of Operations or in the supplemental pro forma revenue and earnings presented above.

The Company incurred the following acquisition-related costs that were recognized as an expense in 2023:

		Total acquisition-related costs
Legal, professional and accounting fees	$	5,174
Bankers' fees		2,172
Total acquisition-related costs	**$**	**7,346**

All acquisition-related costs that were recognized as an expense were recognized in General and administrative expenses in the Consolidated Statement of Operations. No issuance costs were incurred relating to the issuance of shares to TCR^2 stockholders.

Note 14 – Borrowings

On May 14, 2024 (the "Closing Date"), we entered into a Loan and Security Agreement (the "Loan Agreement"), with several banks and other financial institutions or entities and Hercules Capital, Inc. ("Hercules Capital"), for a term loan facility of up to $125.0 million (the "Term Loan"), consisting of a term loan advance in the aggregate principal amount equal to $25.0 million on the Closing Date (the "Tranche 1 Advance"), and three further term loan advances available to the Company subject to certain terms and conditions in aggregate principal amounts of $25.0 million, $5.0 million and $30.0 million, respectively, and a term loan advance available in the sole discretion of the lenders and subject to certain terms and conditions in the aggregate principal amount of $40.0 million. The proceeds of the Term Loan will be used solely to repay related fees and expenses in connection with the Loan Agreement and for working capital and general corporate purposes.

The Term Loan attracts interest on the outstanding principal in the form of both cash and payment-in-kind ("PIK") interest. The cash interest rate is the greater of the Prime Rate plus 1.15% and 9.65% and is paid monthly in arrears. The PIK interest rate is 2% per annum. The outstanding principal used to determine both the cash and PIK interest is inclusive of capitalized PIK interest. The Term Loan also attracts an End of Term Charge of 5.85% payable on maturity which is based on the aggregate original principal amount (i.e. excluding capitalized PIK interest).

The Term Loan matures on June 1, 2029 and payments are interest-only until the June 1, 2027 (the "Amortization Date") after which the monthly payments include repayments of both principal and interest. The Amortization Date can be extended if certain criteria are met and the Company chooses to extend the date. The final Term Loan Maturity Date cannot be extended.

The Term Loan is secured by a lien on substantially all of Borrower's existing or after-acquired assets, including intellectual property, subject to customary exceptions. In addition, the Loan Agreement contains customary closing and commitment fees, prepayment fees and provisions, events of default and representations, warranties and affirmative and negative covenants, including a financial covenant requiring the Company to maintain certain levels of cash in accounts subject to a control agreement in favor of Hercules Capital (the "Qualified Cash") during the period commencing on January 1, 2025 (which initial commencement date is subject to adjustment if certain performance milestones are met) and at all times thereafter, provided that if the Company has achieved certain performance milestones, the amount of Qualified Cash is subject to certain reductions. The Loan Agreement also includes customary events of default, including payment defaults, breaches of covenants following any applicable cure period, the occurrence of certain events that could reasonably be expected to have a "material adverse effect" as set forth in the Loan Agreement, cross acceleration to third-party indebtedness and certain events relating to bankruptcy or insolvency.

Each loan tranche has been identified as a separate unit of account within the scope of ASC 835-30 *Imputation of interest*, with the Tranche 1 Advance constituting a debt instrument and the remaining tranches being loan commitments.

On May 14, 2024, the Company drew down the Tranche 1 Advance of $25,000,000 and received proceeds of $24,500,000 after charges payable to Hercules Capital. The Tranche 1 Advance was initially recognized at $24,750,000. On August 13, 2024, the Company drew down the Tranche 2 Advance of $25,000,000 (the "Tranche 2 Advance," and, together with the Tranche 1 Advance, "Tranches" and each a "Tranche") and received proceeds of $25,000,000. The Tranche 2 Advance was initially recognized at $24,750,000. At September 30, 2024 the face value of the outstanding principal (including capitalized PIK interest) on the Term Loan (including both Tranches) was $50,263,000, less unamortized discount of $485,000 and plus accreted value of the End of Term Charge of $87,000 based on the imputed interest rate of 13.7%. No qualifying debt issuance costs were incurred in relation to either Tranche.

At September 30, 2024, the fair value of the Term Loan is a Level 2 measurement considered to approximate its book value of $50.3 million due to the short period of time since the Term Loan was entered into and the interest rates upon which the terms of the Term Loan were based, notably the Prime Rate, have not changed significantly since the Tranches were drawn.

The aggregate maturity of the term loan for the next five years from September 30, 2024 is as follows:

	Maturity
2024	$ —
2025	—
2026	—
2027	12,767
2028	23,601
2029	17,909
Total principal repayments	**$ 54,277**
Composition of principal repayments	
Original principal	**$** 50,000
Capitalized PIK interest	4,277
Total principal repayments	**$ 54,277**

The payments included in the table include capitalized PIK interest, as this forms part of the principal balance to be repaid once incurred. Payments relating to cash interest and the End of Term Charge are excluded as they do not constitute repayments of the principal.

Note 15 – Segment reporting

The Company has one reportable segment relating to the research, development and commercialization of its novel cell therapies. The segment derives its current revenues from research and development collaborations.

The Company's Chief Operating Decision Maker (the "CODM"), its Chief Executive Officer and the senior leadership team (comprising the Executive Team members and three senior vice presidents), manages the Company's operations on an integrated basis for the purposes of allocating resources. When evaluating the Company's financial performance, the CODM regularly reviews total revenues, total expenses and expenses by function and the CODM makes decisions using this information on a global basis.

The table below is a summary of the segment profit or loss, including significant segment expenses (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	$ 40,901	$ 7,319	$ 174,810	$ 60,050
Less:				
Research	(2,954)	(4,197)	(10,392)	(9,570)
CMC and Quality	(15,073)	(17,350)	(44,006)	(43,958)
Biomarkers	(1,196)	(980)	(6,482)	(3,432)
Development and Compliance	(11,279)	(13,128)	(38,765)	(32,165)
Infrastructure management and Facilities	(7,951)	(7,491)	(23,779)	(20,981)
Commercial	(4,404)	(550)	(10,849)	(1,976)
Support functions	(9,247)	(8,643)	(30,321)	(37,278)
Other segment expenses[(a)]	(3,479)	(1,613)	(5,458)	(575)
Total operating expenses	**(55,581)**	**(53,952)**	**(170,051)**	**(149,935)**
Operating (loss)/profit	**(14,680)**	**(46,633)**	**4,759**	**(89,885)**
Interest income	2,096	2,149	4,817	4,368
Interest expense	(1,109)	—	(1,635)	—
Gain on bargain purchase	—	(106)	—	22,049
Other income (expense), net	(3,093)	(324)	(2,657)	(494)
Income tax expense	(831)	(687)	(1,883)	(1,992)
Segment and consolidated net (loss)/profit	**$ (17,617)**	**$ (45,601)**	**$ 3,401**	**$ (65,954)**

[(a)]Other segment expenses includes reimbursements receivable for research and development tax and expenditure credits, depreciation, amortization and share-based compensation expenses.

Note 16 – Inventories

On August 1, 2024, the Company received U.S. Food and Drug Administration ("FDA") approval for TECELRA® (afamitresgene autoleucel) ("Tecelra") for the treatment of advanced MAGE-A4+ synovial sarcoma in adults with certain HLA types who have received prior chemotherapy, and commenced capitalization of inventory from this date.

Prior to August 1, 2024, regulatory approval and subsequent commercialization of Tecelra, and thus the possibility of future economic benefits from Tecelra sales, were not considered probable and inventory-related costs were expensed as incurred; as such, the inventory recognized on the balance sheet does not included any pre-launch inventory. At September 30, 2024, the gross value of pre-launch inventory held but not recognized was $11,478,000, which includes inventory that could be used for either clinical or commercial purposes.

The components of inventory are as follows:

	September 30, 2024
Raw materials	$ 1,741
Work-in-progress	132
Finished goods	—
Total inventory, net	$ **1,874**

In addition to the above, the Company recognized an asset of $1,866,000 at September 30, 2024 relating to pre-purchases of raw materials that are still under production and have not yet been delivered.

Note 17 – Subsequent events

On November 13, 2024 the Company announced a restructuring plan that aims to prioritize its commercial sarcoma franchise and certain research and development programs. As part of this restructuring, the Company is planning a 33% reduction in workforce. The planned reduction in workforce is subject to consultation with employee representatives in the UK regarding the plan. The Company anticipates that the majority of the reduction in workforce will be completed during the first quarter of 2025. The Company estimates that the pre-tax costs of such reduction in workforce relating to employee severance and other employee-related costs may be in the region of $9-11 million with the majority of such costs being incurred in the first quarter of 2025. It will provide further updates as it progresses through the restructuring process and once the costs and expenses of such restructuring are known.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes appearing elsewhere in this Quarterly Report and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2023, included in our Annual Report on Form 10-K that was filed with the SEC on March 6, 2024. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Quarterly Report and our Annual Report on Form 10-K for the year ended December 31, 2023, our actual results could differ materially from the results described in, or implied by, these forward-looking statements.

Overview

We are a commercial-stage biopharmaceutical company working to redefine the treatment of solid tumor cancers with cell therapies. With the approval by the U.S. Food and Drug Administration ("FDA") of our first biologics license application ("BLA") for Tecelra® (afamitresgene autoleucel) ("Tecelra"), which is the first engineered cell therapy for a solid tumor cancer approved in the U.S., we are now focused on its launch and commercialization. Tecelra is a genetically modified autologous T-cell immunotherapy indicated for the treatment of adults with unresectable or metastatic synovial sarcoma who have received prior chemotherapy, are HLA-A*02:01P, -A*02:02P, -A*02:03P, or -A*02:06P positive and whose tumor expresses the MAGE-A4 antigen as determined by FDA-approved or cleared companion diagnostic devices. This indication is approved under the FDA's accelerated approval based on overall response rate ("ORR") and durability of response. Continued approval for this indication may be contingent upon verification and description of clinical benefits from a confirmatory trial.

We are focussing on a strategic business plan and restructuring to prioritize our commercial sarcoma franchise and pre-clinical programs (PRAME and CD-70 programs) which we believe have the highest potential for return on invested capital and transformational benefit to patients. We remain commited to our collaboration with Galapagos for uza-cel. We are ceasing further investment in all non-core programs, including the SURPASS-3 trial in ovarian cancer. As a result of this re-focussing we are undertaking a reduction of headcount and expenses. We anticipate a reduction in headcount of approximately 33% with the majority of the headcount restructuring to be completed by the end of the first quarter of 2025.

Tecelra

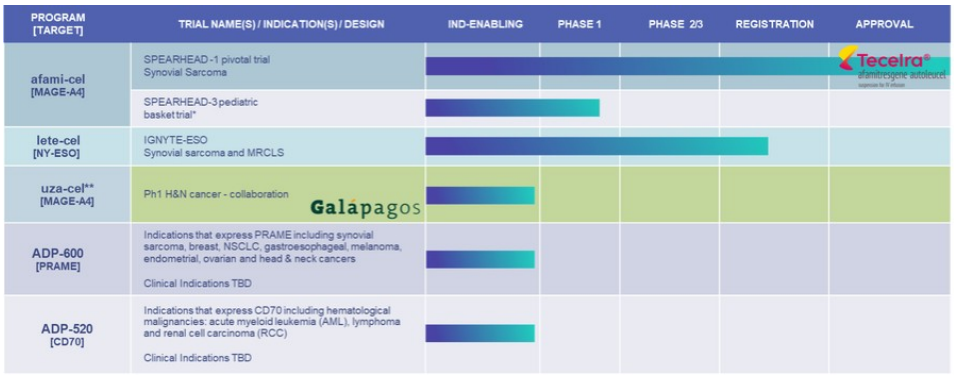
We are focused on the launch and commercialization of Tecelra for the treatment of advanced synovial sarcoma and for which we received FDA approval on August 1, 2024. Nine Authorized Treatment Centers ("ATCs") are available to initiate the treatment journey for our patients. The first patient has been apheresed and manufacture of Tecelra is underway. We are confident that the full network of approximately 30 ATCs will be active by the end of 2025, covering an estimated 80% of patients treated in sarcoma centers of excellence.

The approval of Tecelra was based on results of the SPEARHEAD-1 (Cohort 1) trial, which included 44 patients. The major efficacy outcome was ORR determined by independent review and supported by duration of response. Tecelra treatment resulted in an ORR of 43% with a complete response rate of 4.5%. The median duration of response was six months (95% CI: 4.6, not reached). Among patients who were responsive to the treatment, 39% had a duration of response of twelve months or longer.

Lete-cel

Lete-cel targets the NY-ESO antigen and has been in clinical trials (the IGNYTE-ESO trial) for people with synovial sarcoma and myxoid round cell liposarcoma (MRCLS). Final data for the IGNYTE-ESO trial were reported at the Connective Tissue Oncology Society Annual Meeting ("CTOS") in November 2024 with an ORR of 42% across both synovial sarcoma and myxoid round cell liposarcoma (MRCLS) patients and with six patients having a complete response (6/64) as their best overall response. The median duration of response was just over a year. These data will form part of our planned rolling BLA submission for lete-cel, starting in 2025.

Clinical and Pre-clinical Pipeline



**Synovial sarcoma, Malignant Peripheral Nerve Sheath Tumor (MPNST), Neuroblastoma, Osteosarcoma, Temporary suspension of enrolment as per protocol in SPEARHEAD-3 trial*
***uzatresgene autoleucel, formerly ADP-A2M4CD8; SURPASS Ph 1 and SURPASS-3 trials are no longer enrolling. Adaptimmune and Galapagos to conduct a clinical proof-of- concept trial to evaluate the safety and efficacy of uza-cel produced on Galapagos' decentralized manufacturing platform in patients with head & neck cancer*

We have a pediatric trial ongoing in the US in tumors expressing the MAGE-A4 antigen. Enrollment in this trial has been temporarily suspended as per protocol. Enrollment in our other ongoing clinical trials has ceased or been closed including the SURPASS-3 Phase 2 Trial in ovarian cancer.

We are currently focusing our preclinical pipeline on the development of T-cell therapies directed to PRAME (ADP-600) and CD70 (ADP-520).

- PRAME is highly expressed across a broad range of solid tumors including ovarian, endometrial, lung and breast cancers. We are developing TCR T-cells directed to PRAME, with the initial candidate (ADP-600) currently in preclinical testing and next-generation candidates being developed over the longer term.

- The CD70 program targets the CD70 antigen which is expressed across a range of hematological malignancies (acute myeloid leukemia and lymphoma) and solid tumors (renal cell carcinoma). We are using TRuC technology to develop a T-cell therapy (ADP-520) against CD70, with membrane bound IL-15 to enhance persistence. ADP-520 is currently in pre-clinical testing.

Corporate News

On September 23, 2024, we announced the entry into the Mutual Release Agreement between Adaptimmune and Genentech Inc and F. Hoffmann-La Roche Ltd. This Agreement amongst other things resolves and releases each party from any and all past, present and future disputes, claims, demands and causes of action, whether known or unknown, related to the Genentech Collaboration Agreement in any way. Under the terms of the Mutual Release Agreement the Collaboration Agreement is terminated and Genentech will pay $12.5 million.

On May 14, 2024, we entered into the Loan Agreement with several banks and other financial institutions or entities and Hercules Capital for a Term Loan of up to $125.0 million. The Tranche 1 advance of $25.0 million was drawn on the closing date of the Loan Agreement. The Tranche 2 advance was received on August 13, 2024 following the receipt of FDA approval for Tecelra.

We are focussed on the prioritization of our commercial sarcoma franchise and certain research and development programs. As a result the Company is planning a 33% reduction in workforce. The planned reduction in workforce is subject to consultation with employee representatives in the UK regarding the plan. The Company anticipates that the majority of the reduction in workforce will be completed during the first quarter of 2025. The Company estimates that the pre-tax costs of such reduction in workforce relating to employee severance and other employee-related costs may be in the region of $9-11 million with the majority of such costs being incurred in the first quarter of 2025. It will provide further updates as it progresses through the restructuring process and once the costs and expenses of such restructuring are known.

Financial Operations Overview

Revenue

The Company had three customers in the three and nine months ended September 30, 2024, two customers in the three months ended September 30, 2023, and three customers in the nine months ended September 30, 2023: the Astellas Collaboration Agreement (until March 6, 2023), the Galapagos Collaboration Agreement (from May 30, 2024), the Genentech Collaboration Agreement and the GSK Termination and Transfer Agreement (from April 11, 2023).

The Astellas Collaboration Agreement

In January 2020, the Company entered into the Astellas Collaboration Agreement. The Company received $50.0 million as an upfront payment after entering into the Astellas Collaboration Agreement. Under the Astellas Collaboration Agreement the parties would agree on up to three targets and would co-develop T-cell therapies directed to those targets pursuant to an agreed research plan. For each target, Astellas would fund co-development up until completion of a Phase 1 trial for products directed to such target. In addition, Astellas was also granted the right to develop, independently of the Company, allogeneic T-cell therapy candidates directed to two targets selected by Astellas. Astellas would have sole rights to develop and commercialize products resulting from these two targets.

The Astellas Collaboration Agreement consisted of the following performance obligations: (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 revenue allocated to the co-development targets was recognized as the development of products directed to the targets progressed up until completion of a Phase 1 trial. The revenue allocated to each of the research licenses for the targets being independently developed by Astellas was to be recognized when the associated license commenced, which was upon designation of a target by Astellas.

The Company and Universal Cells mutually agreed to terminate the Astellas Collaboration Agreement as of the Termination Date. In connection with the termination, all licenses and sublicenses granted to either party pursuant to the Collaboration Agreement ceased as of the Termination Date. There were no termination penalties in connection with the termination, however the Company was still entitled to receive reimbursement for research and development work performed up to and including a period of 30 days after the Termination Date.

The termination was accounted for as a contract modification and the modification resulted in the remaining unsatisfied and partially satisfied performance obligations under the collaboration becoming fully satisfied. The aggregate transaction price of the contract modification was $42.4 million, which was primarily comprised of deferred income relating to the third co-development target and the two independent targets, and was recognized in full in March 2023. No revenue was recognized for Astellas in 2024.

The Genentech Collaboration Agreement

On September 3, 2021, Adaptimmune Limited, a wholly-owned subsidiary of the Company, entered into the Genentech Collaboration Agreement. The collaboration has two components:

1) development of allogeneic T-cell therapies for up to five shared cancer targets; and
2) development of personalized 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 would 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 would determine whether to further develop and commercialize such therapies. The Company

received an upfront payment of $150 million in October 2021 and milestone payments of $20 million and $15 million in December 2022 and 2023, respectively.

The Company identified the following performance obligations under the Genentech Collaboration 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 personalized therapies, (iii) material rights relating to the option to designate additional "off-the-shelf" collaboration targets and (iv) material rights relating to the two options to extend the research term. The revenue allocated to the initial "off-the-shelf" collaboration targets and the personalized therapies was recognized as development progressed. The revenue allocated to the material rights to designate additional 'off-the-shelf' collaboration targets would have been recognized from the point that the options were exercised and then as development progressed, in line with the initial "off-the-shelf" collaboration targets, or at the point in time that the rights expired. The revenue from the material rights to extend the research term would have been recognized from the point that the options were exercised and then over the period of the extension, or at the point in time that the options expired.

On April 12, 2024, we announced the termination of the Genentech Collaboration Agreement. The termination was accounted for as a contract modification on a cumulative catch-up basis. The termination did not change the nature the performance obligations identified but resulted in a reduction of the transaction price as the additional payments and variable consideration that would have been due in periods after October 7, 2024 will now never be received. The termination resulted in a cumulative catch-up adjustment to revenue recognized at the date of the termination of $101.3 million.

On September 23, 2024, Adaptimmune Limited entered into a Mutual Release Agreement with Genentech. The Mutual Release Agreement, among other things, resolved and released each party from any and all past, present and future disputes, claims, demands and causes of action, whether known or unknown, related to the Genentech Collaboration Agreement in any way. Under the terms of the Mutual Release Agreement, Genentech will pay $12.5 million, upon which the Genentech Collaboration Agreement will be terminated. The Mutual Release Agreement was effective immediately as of September 23, 2024. The Mutual Release Agreement resulted in all remaining performance obligations being fully satisfied and the remaining deferred revenue and the additional payment were both recognized as total revenue of $37.8 million in the third quarter of 2024.

The GSK Termination and Transfer Agreement

On April 11, 2023, the Company announced its entry into the Termination and Transfer Agreement with GSK regarding the return to the Company of rights and materials comprised within the PRAME and NY-ESO cell therapy programs. The parties will work collaboratively to ensure continuity for patients in ongoing lete-cel clinical trials forming part of the NY-ESO cell therapy program.

As part of the Termination and Transfer Agreement, sponsorship of the ongoing IGNYTE and LTFU trials relating to the NY-ESO cell therapy program will transfer to the Company. In return for this, the Company received an upfront payment of £7.5 million in June 2023 following the execution of the Termination and Transfer Agreement and further milestone payments of £3 million, £12 million, £6 million and £1.5 million to the Company in September and December 2023 and June and August 2024, respectively. No further payments are due from GSK under the Termination and Transfer Agreement.

The Company has identified the following performance obligations under the Termination and Transfer Agreement: (i) to take over sponsorship and complete the IGNYTE trial and (ii) to take over sponsorship and complete the LTFU trial. The revenue allocated to both obligations is recognized over time from the point that sponsorship of the active trials that make up the trial transfer, based on the number of patients transferred and still actively enrolled to date on the trial at a given period-end relative to the total estimated periods of active patient enrollment over the estimated duration of the trial.

The Galapagos Collaboration and Exclusive License Agreement

On May 30, 2024, the Company entered into a the Galapagos Collaboration Agreement. The Galapagos Collaboration Agreement includes an option for Galapagos to exclusively license the TCR T-cell therapy candidate uza-cel, manufactured on Galapagos's decentralized manufacturing platform, in head and neck cancer and potential future solid tumor indications. Under the Galapagos Collaboration Agreement, we will conduct a clinical proof-of-concept trial to evaluate the safety and efficacy of uza-cel produced on Galapagos' decentralized manufacturing platform in patients with head and neck cancer.

The Company will receive initial payments of $100 million, comprising $70 million upfront and $30 million of research and development funding, option exercise fees of up to $100 million (the amount depending on the number of indications in relation to which the option is exercised), additional development and sales milestone payments of up to a maximum of $465 million, plus tiered royalties on net sales. The $70 million upfront payment and $15 million of upfront research and development funding was received in June 2024.

The Company has identified a performance obligation relating to the various activities required to complete the POC trial and a material right associated with the exclusive license option. The Company expects to satisfy the POC Trial obligation over time over the period that the trial is completed, based on an estimate of the percentage of completion of the trial determined based on the costs incurred on the trial as a percentage of the total expected costs. The revenue allocated to the material right associated with the exclusive licence option will be recognized from the point that the option is either exercised and control of the license has passed to Galapagos or the option lapses.

Research and Development Expenses

Research and development expenditures are expensed as incurred. Research and development expenses consist principally of the following:

- salaries for research and development staff and related expenses, including benefits;
- costs for production of preclinical compounds and drug substances by contract manufacturers;
- fees and other costs paid to contract research organizations in connection with additional preclinical testing and the performance of clinical trials;
- costs associated with the development of a process to manufacture and supply our lentiviral vector and cell therapies for use in clinical trials;
- costs to develop manufacturing capability at our U.S. facility for manufacture of cell therapies for use in clinical trials;
- costs relating to facilities, materials and equipment used in research and development;
- costs of acquired or in-licensed research and development which does not have alternative future use;
- costs of developing assays and diagnostics;
- an allocation of indirect costs clearly related to research and development;
- amortization and depreciation of property, plant and equipment and intangible assets used to develop our cells therapies; and
- share-based compensation expenses.

These expenses are partially offset by:

- reimbursable tax and expenditure credits from the U.K. government.

Research and development expenditure is presented net of reimbursements from reimbursable tax and expenditure credits from the U.K. government.

As a company that carries out extensive research and development activities, we benefit from the U.K. research and development tax credit regime for small and medium sized companies (“SME R&D Tax Credit Scheme”), whereby our principal research subsidiary company, Adaptimmune Limited, is able to surrender the trading losses that arise from its research and development activities for a payable tax credit of up to approximately 18.6% of eligible research and development expenditures. Qualifying expenditures largely comprise employment costs for research staff, consumables and certain internal overhead costs incurred as part of research projects for which we do not receive income. Subcontracted research expenditures are eligible for a cash rebate of up to approximately 12.1%. A large

proportion of costs in relation to our pipeline research, clinical trials management and manufacturing development activities, all of which are being carried out by Adaptimmune Limited, are eligible for inclusion within these tax credit cash rebate claims.

Expenditures incurred in conjunction with our collaboration agreements are not qualifying expenditures under the SME R&D Tax Credit Scheme but certain of these expenditures can be reimbursed through the U.K. research and development expenditure credit scheme (the "RDEC Scheme"). Under the RDEC Scheme tax relief is given at 20% of allowable research and development costs, which may result in a payable tax credit at an effective rate of approximately 15% of qualifying expenditure for the year ended December 31, 2024.

On July 18, 2023, the U.K. Government released draft legislation on proposed changes to the U.K. research and development regimes which was subsequently enacted on February 22, 2024. These changes include combining the current SME R&D Tax Credit Scheme and RDEC Schemes with a single 20% gross rate applying to all claims with an exception for R&D Intensive SMEs. For entities which qualify as R&D Intensive SMEs, a higher effective cash tax benefit of 27% will be available. The legislation also includes changes to other rules and types of qualifying expenditure, such as the treatment of subcontracted and overseas costs.

Our research and development expenses may vary substantially from period to period based on the timing of our research and development activities, which depends upon the timing of initiation of clinical trials and the rate of enrollment of patients in clinical trials. The duration, costs, and timing of clinical trials and development of our cell therapies will depend on a variety of factors, including:

- the scope, rate of progress, and expense of our ongoing as well as any additional clinical trials and other research and development activities;
- uncertainties in clinical trial enrollment rates;
- future clinical trial results;
- significant and changing government regulation;
- the timing and receipt of any regulatory approvals; and
- supply and manufacture of lentiviral vector and cell therapies for clinical trials.

A change in the outcome of any of these variables may significantly change the costs and timing associated with the development of that cell therapy. For example, if the FDA, or another regulatory authority, requires us to conduct clinical trials beyond those that we currently anticipate will be required for regulatory approval, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development.

Selling, General and Administrative Expenses

Our general and administrative expenses consist principally of:

- salaries for employees other than research and development staff, including benefits;
- business development expenses, including travel expenses;
- professional fees for auditors, lawyers and other consulting expenses;
- selling and other costs relating to our commercial product;
- costs of facilities, communication, and office expenses;
- cost of establishing commercial operations;
- information technology expenses;
- amortization and depreciation of property, plant and equipment and intangible assets not related to research and development activities; and

- share-based compensation expenses.

Interest Income

Interest income primarily comprises interest on cash, cash equivalents and marketable securities.

Interest Expense

Interest expense primarily comprises loan interest on the Hercules Capital loan facility.

Other Income (Expense), Net

Other income (expense), net primarily comprises foreign exchange gains (losses). We are exposed to foreign exchange rate risk because we currently operate facilities in the United Kingdom and United States. Our expenses are generally denominated in the currency in which our operations are located, which are the United Kingdom and United States. However, our U.K.-based subsidiary incurs significant research and development costs in U.S. dollars and, to a lesser extent, Euros. Our U.K. subsidiary has an intercompany loan balance in U.S. dollars payable to the Comapny. Since July 1, 2019, the intercompany loan has been considered as being a long-term investment as repayment is not planned or anticipated in the foreseeable future. It is the Company's intent not to request payment of the intercompany loan for the foreseeable future. The foreign exchange gains or losses arising on the revaluation of intercompany loans of a long-term investment nature are reported within other comprehensive (loss) income, net of tax.

Our 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 forthcoming expenditure in U.S. dollars and pounds sterling. To date, we have not used hedging contracts to manage exchange rate exposure, although we may do so in the future.

In addition to currency fluctuations, adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs, changes to fiscal and monetary policy, tighter credit, and higher interest rates, could materially adversely affect the Company by, for example, driving higher input costs and/or impacting the Company's ability to raise future financing.

Taxation

We are subject to corporate taxation in the United Kingdom and the United States. We typically incur tax losses and tax credit carryforwards in the United Kingdom on an annual basis. No net deferred tax assets are recognized on our U.K. losses and tax credit carryforwards because there is currently no indication that we will make sufficient taxable profits to utilize these tax losses and tax credit carryforwards. The rate of U.K. corporation tax is 25% for the year ended December 31, 2024.

We benefit from reimbursable tax credits in the United Kingdom through the SME R&D Tax Credit Scheme as well as the RDEC Scheme which are presented as a deduction to research and development expenditure.

Our pre-existing subsidiary in the United States, Adaptimmune LLC, has generated taxable profits due to a Service Agreement between our U.S. and U.K. operating subsidiaries and is subject to U.S. federal corporate income tax of 21%. Due to its activity in the United States, and the sourcing of its revenue, the Adaptimmune LLC is not currently subject to any state or local income taxes. The Company also benefits from the U.S Research Tax Credit and Orphan Drug Credit.

TCR^2 has incurred net losses since acquisition and generates research and development tax credits. TCR^2's operating loss and tax credit carryforwards and other tax attributes are reduced by a valuation allowance to the amount supported by reversing taxable temporary differences because there is currently no indication that we will make sufficient taxable profits to utilize these deferred tax assets.

In the future, if we generate taxable income in the United Kingdom, we may benefit from the United Kingdom's "patent box" regime, which would allow certain profits attributable to revenues from patented products to be taxed at a rate of 10%. As we have many different patents covering our products, future upfront fees, milestone fees, product revenues, and royalties may be taxed at this favorably low tax rate.

U.K. Value Added Tax ("VAT") is charged on all qualifying goods and services by VAT-registered businesses. An amount of 20% of the value of the goods or services is added to all relevant sales invoices and is payable to the U.K. tax authorities. Similarly, VAT paid on purchase invoices paid by Adaptimmune Limited and the Company is reclaimable from the U.K. tax authorities.

Critical Accounting Policies and Significant Judgments and Estimates

The preparation of our unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the revenues and expenses incurred during the reported periods. We base our estimates on historical experience and on various other factors that we believe are relevant under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The accounting policies considered to be critical to the judgments and estimates used in the preparation of our financial statements are disclosed in the Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2023 Annual Report.

In addition, the following estimate was considered to be critical to the judgements and estimates used in the preparation of our financial statements for the nine months ending September 30, 2024.

Allocation of transaction price using the relative standalone selling price

Upfront and other payments included in the transaction price of a contract are allocated between performance obligations using the Company'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 consideration of adjusted-market data from comparable arrangements, where applicable and available. This assessment involves significant judgment and could have a significant impact on the amount and timing of revenue recognition.

An assessment of the allocation of transaction price using the relative standalone selling price was required in the nine months ending September 30, 2024 and 2023 for the Galapagos Collaboration Agreement and the GSK Termination and Transfer Agreement, respectively, although the assessment for the GSK Termination and Transfer Agreement in 2023 was not considered to be a significant estimate.

Results of Operations

Comparison of three months ended September 30, 2024 and 2023

The following table summarizes the results of our operations for the three months ended September 30, 2024 and 2023, together with the changes to those items (in thousands):

	Three months ended September 30,		Increase/decrease	
	2024	2023		
Revenue	**$ 40,901**	**$ 7,319**	**$ 33,582**	**459 %**
Research and development expenses	(34,304)	(37,788)	3,484	(9)%
Selling, general and administrative expenses	(21,277)	(16,164)	(5,113)	32 %
Total operating expenses	**(55,581)**	**(53,952)**	**(1,629)**	**3 %**
Operating loss	**(14,680)**	**(46,633)**	**31,953**	**(69)%**
Interest income	2,096	2,149	(53)	(2)%
Interest expense	(1,109)	—	(1,109)	— %
Gain on bargain purchase	—	(106)	106	(100)%
Other (expense) income, net	(3,093)	(324)	(2,769)	855 %
Loss before income tax expense	**(16,786)**	**(44,914)**	**28,128**	**(63)%**
Income tax expense	(831)	(687)	(144)	21 %
Loss for the period	**$ (17,617)**	**$ (45,601)**	**$ 27,984**	**(61)%**

Revenue

Revenue increased by $33.6 million to $40.9 million for the three months ended September 30, 2024 compared to $7.3 million for the three months ended September 30, 2023. The increase is primarily due to the termination of the Genentech Collaboration Agreement in April 2024 and subsequent Mutual Release Agreement, resulting in the remaining deferred revenue of $25 million, representing deferred revenue at June 30, 2024, and $12.5 million payment, being recognized as revenue in the current quarter. The remaining revenue in the three months ended September 30, 2024 relates to the GSK and Galapagos agreements, whereas the revenue in the three months ended September 30, 2023 related to Genentech.

Research and Development Expenses

Research and development expenses decreased by 9% to $34.3 million for the three months ended September 30, 2024 from $37.8 million for the three months ended September 30, 2023.

Our research and development expenses comprise the following (in thousands):

	Three months ended September 30,		Increase/decrease	
	2024	2023		
Salaries, materials, equipment, depreciation of property, plant and equipment and other employee-related costs[1]	$ 23,245	$ 22,405	$ 840	4 %
Subcontracted expenditure	10,551	16,604	(6,053)	(36)%
Manufacturing facility expenditure	2,025	2,049	(24)	(1)%
Share-based compensation expense	1,070	789	281	36 %
In-process research and development costs	13	10	3	30 %
Reimbursements receivable for research and development tax and expenditure credits	(2,600)	(4,069)	1,469	(36)%
	$ 34,304	**$ 37,788**	**$ (3,484)**	**(9)%**

(1) These costs are not analyzed by project since employees may be engaged in multiple projects simultaneously.

The net decrease in our research and development expenses of $3.5 million for the three months ended September 30, 2024 compared to the same period in 2023 was primarily due to the following:

- a decrease of $6.1 million in subcontracted expenditure due primarily to a decrease in clinical trial expenses relating to TCR^2 as the TCR^2 programs wind down, offset by an increase in vector manufacturing; offset by
- a decrease of $1.5 million in offsetting reimbursements receivable for research and development tax and expenditure credits due to decreases in the associated research and development costs for which the credits may be claimed.

Our subcontracted costs for the three months ended September 30, 2024 were $10.6 million, compared to $16.6 million in the same period in 2023. This includes $8.7 million of costs directly associated with our afami-cel, lete-cel and uza-cel T-cells and $1.9 million of other development costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 32% to $21.3 million for the three months ended September 30, 2024 from $16.2 million in the same period in 2023. Our selling, general and administrative expenses consist of the following (in thousands):

	Three months ended September 30,		Increase/decrease	
	2024	2023		
Salaries, depreciation of property, plant and equipment and other employee-related costs	$ 9,922	$ 8,237	$ 1,685	20 %
Other corporate costs	9,181	5,533	3,648	66 %
Share-based compensation expense	1,985	2,394	(409)	(17)%
Commercial expenses	189	—	189	— %
	$ 21,277	**$ 16,164**	**$ 5,113**	**32 %**

The net increase in our selling, general and administrative expenses of $5.1 million for the three months ended September 30, 2024 compared to the same period in 2023 was largely due to an increase of:

- $1.7 million in salaries, depreciation of property, plant and equipment and other employee-related costs, due primarily to increased travel and training costs, primarily due to commercialization-related activities; and
- $3.6 million in other corporate costs due to an increase in accounting, legal and professional fees, due to a combination of fees relating to business development work and fees relating to preparation for commercialization.

Income Taxes

Income taxes arise in the United States due to Adaptimmune LLC generating taxable profits. We typically incur taxable losses in the United Kingdom on an annual basis and have incurred losses in TCR^2 since the acquisition.

Comparison of nine months ended September 30, 2024 and 2023

The following table summarizes the results of our operations for the nine months ended September 30, 2024 and 2023, together with the changes to those items (in thousands):

	Nine months ended September 30,		Increase/decrease	
	2024	2023		
Revenue	**$ 174,810**	**$ 60,050**	**$ 114,760**	**191 %**
Research and development expenses	(109,959)	(93,301)	(16,658)	18 %
Selling, general and administrative expenses	(60,092)	(56,634)	(3,458)	6 %
Total operating expenses	**(170,051)**	**(149,935)**	**(20,116)**	**13 %**
Operating profit/(loss)	**4,759**	**(89,885)**	**94,644**	**(105)%**
Interest income	4,817	4,368	449	10 %
Interest expense	(1,635)	—	(1,635)	— %
Gain on bargain purchase	—	22,049	(22,049)	(100)%
Other (expense) income, net	(2,657)	(494)	(2,163)	438 %
Profit/(loss) before income tax expense	**5,284**	**(63,962)**	**69,246**	**(108)%**
Income tax expense	(1,883)	(1,992)	109	(5)%
Profit/(loss) for the period	**$ 3,401**	**$ (65,954)**	**$ 69,355**	**(105)%**

Revenue

The revenue recognized in the nine months ended September 30, 2024 relates to development revenue under the Genentech Collaboration Agreement, the Galapagos Collaboration Agreement and the GSK Termination and Transfer Agreement whereas the revenue in the nine months ended September 30, 2024 relates to development revenue under the Genentech Collaboration Agreement and the Astellas Collaboration Agreement.

Revenue increased by $114.8 million to $174.8 million in the nine months ended September 30, 2024 compared to $60.1 million for the nine months ended September 30, 2023 primarily due to the termination of the Genentech Collaboration Agreement in April 2024, resulting in a cumulative catch-up adjustment of $101.3 million and the subsequent Mutual Release Agreement, resulting in the remaining deferred revenue and additional payment, being recognized as $37.8 million of revenue in the third quarter of 2024, compared to the termination of the Astellas Collaboration Agreement in the first quarter of 2023, which resulted in the remaining deferred revenue for the collaboration of $42.4 million being recognized as revenue in March 2023.

Total revenue from Genentech and GSK in the nine months ended September 30, 2024 was $163.9 million and $10.7 million respectively, compared to $16.1 million from Genentech and $44.0 million from Astellas in the nine months ended September 30, 2023. The revenue recognized in 2024 and 2023 for Genentech and Astellas, respectively, includes the impact of the events noted above, as well as revenue recognized as research and development work for the collaborations was performed.

Research and Development Expenses

Research and development expenses increased by 18% to $110.0 million for the nine months ended September 30, 2024 from $93.3 million for the nine months ended September 30, 2023.

Our research and development expenses comprise the following (in thousands):

	Nine months ended September 30,		Increase/decrease	
	2024	2023		
Salaries, materials, equipment, depreciation of property, plant and equipment and other employee-related costs[1]	$ 72,359	62,120	$ 10,239	16 %
Subcontracted expenditure	35,970	37,249	(1,279)	(3)%
Manufacturing facility expenditure	7,197	5,441	1,756	32 %
Share-based compensation expense	2,878	2,190	688	31 %
In-process research and development costs	34	(1,853)	1,887	(102)%
Reimbursements receivable for research and development tax and expenditure credits	(8,479)	(11,846)	3,367	(28)%
	$ 109,959	**$ 93,301**	**$ 16,658**	**18 %**

(1) These costs are not analyzed by project since employees may be engaged in multiple projects simultaneously.

The net increase in our research and development expenses of $16.7 million for the nine months ended September 30, 2024 compared to the same period in 2023 was primarily due to the following:

- an increase of $10.2 million in salaries, materials, equipment, depreciation of property, plant and equipment and other employee-related costs, which is driven primarily by an increase in the average number of employees engaged in research

and development following the acquisition of TCR[2] in June 2023 and annual salary increases, and increased costs relating to property due to additional lease properties acquired following the acquisition of TCR[2];

- an increase of $1.8 million in manufacturing facility expenditure due to the consumption of batches of clinical materials that had not previously been impaired, compared to 2023 where clinical materials consumed were primarily those that had been impaired to nil in previous years and therefore no corresponding expense was recognised;
- an increase of $1.9 million in in-process research and development costs due to a credit of $1.9 million in 2023 that was not repeated in 2024; and
- a decrease of $3.4 million in reimbursements receivable for research and development tax and expenditure credits due to decreases in the associated research and development costs for which the credits may be claimed and a reduction in the effective rate at which the tax credits can be claimed which was effective from April 1, 2023; offset by
- a decrease of $1.3 million on subcontracted expenditure primarily due to a reduction in outsourced research costs.

Our subcontracted costs for the nine months ended September 30, 2024 were $36.0 million, compared to $37.2 million in the same period of 2023. This includes $26.7 million of costs directly associated with our afami-cel, lete-cel and uza-cel T-cells and $9.3 million of other development costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 6% to $60.1 million for the nine months ended September 30, 2024 from $56.6 million in the same period in 2023. Our selling, general and administrative expenses consist of the following (in thousands):

	Nine months ended September 30,		Increase/decrease	
	2024	2023		
Salaries, depreciation of property, plant and equipment and other employee-related costs	$ 29,930	$ 28,901	$ 1,029	4 %
Restructuring charges	—	1,703	(1,703)	(100)%
Other corporate costs	27,436	22,002	5,434	25 %
Share-based compensation expense	6,337	6,506	(169)	(3)%
Commercial expenses	189	—	189	— %
Reimbursements	(3,800)	(2,478)	(1,322)	53 %
	$ 60,092	**$ 56,634**	**$ 3,458**	**6 %**

The net decrease in our selling, general and administrative expenses of $3.5 million for the nine months ended September 30, 2024 compared to the same period in 2023 was largely due to:

- a reduction in restructuring charges of $1.7 million, which related to the restructuring programme completed in the first quarter of 2023; offset by
- an increase of $5.4 million in other corporate costs due to an increase in accounting, legal and professional fees, due primarily to a combination of fees relating to business development work and fees relating to preparation for commercialization.

Gain on Bargain Purchase

The gain on bargain purchase arose in June 2023 from the strategic combination with TCR[2] on June 1, 2023.

Liquidity and Capital Resources

Sources of Funds

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 collaboration arrangements and research and development tax and expenditure credits. From inception through to September 30, 2024, we have raised:

- $900.2 million, net of issuance costs, through the issuance of shares;
- $49.5 million, net of discount, drawn from the Hercules Capital loan facility;
- $533.3 million through collaborative arrangements with Galapagos, Genentech, GSK and Astellas;
- $141.3 million in the form of reimbursable U.K. research and development tax credits and receipts from the U.K. RDEC Scheme; and
- $45.3 million in cash and cash equivalents and restricted cash and $39.5 million of marketable securities acquired as part of the strategic combination with TCR[2].

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 U.S. GAAP measure, are provided below under "Non-GAAP measures".

As of September 30, 2024, we had cash and cash equivalents of $116.7 million and Total Liquidity of $186.1 million.

Cash Flows

The following table summarizes the results of our cash flows for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine months ended September 30,	
	2024	2023
Net cash used in operating activities	$ (39,002)	$ (126,204)
Net cash (used in)/provided by investing activities	(67,119)	108,341
Net cash provided by financing activities	78,748	806
Cash, cash equivalents and restricted cash	119,422	93,072

Operating Activities

Net cash used in operating activities was $39.0 million for the nine months ended September 30, 2024 compared to net cash used in operating activities of $126.2 million for the nine months ended September 30, 2023. Our activities typically result in net use of cash in operating activities. The net cash used in operating activities for the nine months ended September 30, 2024 decreased primarily due to the receipt of research and development credits of $30.8 million, an $85 million upfront payment from Galapagos and $9.7 million milestone payments from GSK which was offset by an increase in operating expenditures.

Net cash used in operating activities of $39.0 million for the nine months ended September 30, 2024 comprised a net profit of $3.4 million and a net cash outflow of $62.5 million from changes in operating assets and liabilities, offset by non-cash items of $20.1 million. The changes in operating assets and liabilities include the impact of a $21.5 million decrease in reimbursements receivable for research and development tax credits and the recognition of deferred revenue following the termination of the Genentech Collaboration

Agreement. The non-cash items consisted primarily of depreciation expense on plant and equipment of $8.2 million, share-based compensation expense of $9.2 million, unrealized foreign exchange losses of $3.2 million and other items of $0.4 million.

Investing Activities

Net cash used in investing activities was $67.1 million for the nine months ended September 30, 2024 compared to $108.3 million provided investing activities for the nine months ended September 30, 2023. The net cash used in or provided by investing activities for the respective periods consisted primarily of:

- purchases of property, plant and equipment of $0.7 million and $3.9 million for the nine months ended September 30, 2024 and 2023, respectively. Purchases of property, plant and equipment were higher in 2023 compared to 2024 due to the expansion of our manufacturing facilities, which was largely completed in 2022 and finalized in 2023;
- purchases of intangible assets of $0.9 million and $0.2 million for the nine months ended September 30, 2024 and 2023, respectively;
- investments in marketable securities of $65.7 million in the nine months ended September 30, 2024 compared to $73.0 million in the nine months ended September 30, 2023; and
- there were no cash inflows from maturity or redemption of marketable securities in the nine months ended September 30, 2024 compared to $139.2 million for the nine months ended September 30, 2023.

The Company invests surplus cash and cash equivalents in marketable securities.

Financing Activities

Net cash provided by financing activities was $78.7 million and $0.8 million for the nine months ended September 30, 2024 and 2023, respectively. The net cash provided by financing activities in the nine months ended September 30, 2024 consisted of net proceeds of $29.2 million from shares issued in an ATM offering, net of commissions and issuance costs, and $49.5 million proceeds from the issuance of borrowings, net of discount. The net cash provided by financing activities in the nine months ended September 30, 2023 consisted primarily of net proceeds of $0.6 million from shares issued in an ATM offering, net of commissions and issuance costs.

Non-GAAP Measures

Total Liquidity

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 condensed consolidated balance sheet. The U.S. GAAP financial measure most directly comparable to Total Liquidity is cash and cash equivalents as reported in the condensed consolidated financial statements, which reconciles to Total Liquidity as follows (in thousands):

	September 30, 2024	December 31, 2023
Cash and cash equivalents	$ 116,741	$ 143,991
Marketable securities - available-for-sale debt securities	69,349	2,947
Total Liquidity	**$ 186,090**	**$ 146,938**

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 solvency and liquidity, financial flexibility, capital position and leverage. The definition of Total Liquidity includes marketable securities, which are highly-liquid and available to use in our current operations.

Safe Harbor

See the section titled “Information Regarding Forward-Looking Statements” at the beginning of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes to the Company's market risk during the three and nine months ended September 30, 2024. For a discussion of the Company's exposure to market risk, please refer to the Company's market risk disclosures set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our 2023 Annual Report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Securities and Exchange Act of 1934, as amended ("Exchange Act") as of September 30, 2024.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at September 30, 2024.

Changes in Internal Control over Financial Reporting

No changes in our internal control over financial reporting (as defined in Rules 13a-15(e) and 15d – 15(e)) under the Exchange Act) occurred during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

As of September 30, 2024 we were not a party to any material legal proceedings.

Item 1A. Risk Factors.

Our business has significant risks. You should carefully consider the risk factors set out in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 and the disclosures and risk factors set out in this Quarterly Report, including our condensed consolidated financial statements and the related notes, before making an investment decision regarding our securities. The risks and uncertainties described are those material risk factors currently known and specific to us that we believe are relevant to our business, results of operations and financial condition. Additional risks and uncertainties not currently known to us or that we now deem immaterial may also impair our business, results of operations and financial condition.

As of and for the period ended September 30, 2024, save as provided below there have been no material changes from the risk factors previously disclosed by us in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2023.

We may not be able to maintain compliance with the continued listing requirements of Nasdaq.

Our Americal Depository Shares (ADSs) are listed on Nasdaq. In order to maintain that listing, we must satisfy minimum financial and other requirements including, without limitation, a requirement that our closing bid price must not fall below $1.00 per ADS for 30 consecutive business days. On November 1, 2024, we received a notice from The Nasdaq Stock Market ("Nasdaq") that the Company is not in compliance with Nasdaq's Listing Rule 5450(a)(1), because the minimum bid price of the Company's American Depositary Shares ("ADSs") has been below $1.00 per share for 30 consecutive business days (the "Notice"). The Notice has no immediate effect on the listing or trading of the Company's ADSs on The Nasdaq Global Select Market.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has 180 calendar days, or until April 30, 2025, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company's ADSs must be at least

$1.00 per ADS for a minimum of ten consecutive business days during this 180 calendar day grace period, unless Nasdaq exercises its discretion to extend this ten-day period. In the event the Company does not regain compliance with the minimum bid price requirement by April 30, 2025, the Company may be eligible for an additional 180 calendar day compliance period if it elects to ransfer to The Nasdaq Capital Market. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the minimum bid price requirement, and would need to provide written notice of its intention to cure the bid price deficiency during the second compliance period. However, if it appears to Nasdaq's staff that the Company will not be able to cure the deficiency or if the Company is otherwise not eligible, Nasdaq would notify the Company that its securities would be subject to delisting. The Company may appeal any such determination to delist its securities, but there can be no assurance that any such appeal would be successful.

The Company intends to monitor the closing bid price of its ADSs and assess potential actions to regain compliance with Nasdaq's Listing Rule 5450(a)(1). However, there can be no assurance that we will be able to regain compliance with the minimum bid price requirement or that we will otherwise maintain compliance with other Nasdaq listing requirements. If we fail to regain and maintain compliance with the minimum bid price requirement or to meet the other applicable continued listing requirements in the future and Nasdaq decides to delist our ADSs, the delisting could adversely affect the market price and liquidity of our ADSs, reduce our ability to raise additional capital and result in operational challenges and damage to investor relations and market reputation.

Although our financial statements have been prepared on a going concern basis, if we fail to obtain additional financing in the future, this may raise substantial doubt about our ability to continue as a going concern in future reporting periods

As of September 30, 2024, the Company had cash and cash equivalents of $116.7 million, marketable securities of $69.3 million, and stockholders' equity of $80.0 million. During the nine months ended September 30, 2024, the Company incurred a net profit of $3.4 million, used cash of $39.0 million from its operating activities, and generated revenues of $174.8 million. The Company has incurred net losses in most periods since inception and it expects to incur operating losses in future periods.

We believe that our Total Liquidity will be sufficient to fund our operations for at least 12 months, based upon our currently anticipated research and development activities and planned restructuring of the company to reduce headcount and expenses. This belief is based on estimates that are subject to risks and uncertainties and may change if actual results, revenue from commercialisation of Tecelra or the currently anticipated costs and cost reductions (including those associated with the restructuring) differ from management's estimates or do not occur within anticipated timeframes.

We must obtain additional capital to continue funding planned operations. There is no assurance that the Company will be able to obtain sufficient additional capital to continue funding its operations or, if we do, that it will be on terms that are favourable to our shareholders. Any future fundraising, if possible, is likely to be highly dilutive to our existing shareholders and may also divert our management from its day-to-day activities.

If the Company fails to obtain additional funding, it may be required to:

- significantly reduce certain activities and operations of the business in order to reduce ongoing expenditure. Any such reduction could significantly delay the timelines under which we can bring new products to the market (including lete-cel) or our ability to commercialize Tecelra.
- conduct a restructuring of the company to further reduce headcount and expenditure which will in turn reduce the activities and operations of the business.
- repay all or part of the loan advances received under the Loan Agreement in accordance with the terms of the Loan Agreement (including any applicable repayment charges or costs).
- seek further third party alliances for existing assets, including Tecelra, on terms that are less favorable than might otherwise be available;
- seek an acquirer for all or part of the business on terms that are less favorable than might otherwise be available
- relinquish or license on unfavorable terms or rights to technologies, intellectual property or product candidates we would otherwise seek to develop or commercialize ourselves.

If we fail to obtain additional funding, or in the event that we significantly reduce our ongoing expenditures and operations (including the current restructuring), this may result in an inability to retain key individuals required for our ongoing business and may result in a need to delay or halt ongoing programs or change the nature and scope of such programs. As a result, our business financial condition and results of operations could be materially affected.

Our business is, in part, dependent on the successful commercialization of Tecelra in the United States.

Tecelra received FDA approval in August 2024. Tecelra is a genetically modified autologous T-cell immunotherapy indicated for the treatment of adult patients with unresectable or metastatic synovial sarcoma who have received prior systemic therapy, are positive for HLA-A*02:01P, -A*02:02P, -A*02:03P, or -A*02:06P, and negative for HLA-A*02:05P, and whose tumor expresses the MAGE-A4 antigen as detected by an FDA-approved test. The success of our business, including our ability to finance our company and generate any revenue in the future, will, at this point, depend on the successful commercialization of Tecelra in the U.S. Any failure to successfully commercialize Tecelra in the U.S. would have a material and adverse impact on our business.

The commercial success of Tecelra will depend on a number of factors, including the following:

- our ability to obtain any additional required capital or equivalent sources of finance to support the commercialization on acceptable terms, or at all;
- our ability to consistently manufacture Tecelra on a timely basis and sufficient to meet demand;
- our ability to activate authorized treatment centres (ATC) capable of administering Tecelra and the timing of activation of those authorized treatment centres;
- the ability of our authorized treatment centres to facilitate treatments with Tecelra given Tecelra is a novel T-cell therapy requiring patient specific administration;
- the availability of the tests required to assess for the required HLA types and antigen presentation ahead of treatment with Tecelra and the ability of third party suppliers of such tests to make those tests available when required;
- the prevalence, duration and severity of potential side effects or other safety issues that patients may experience with Tecelra;
- achieving and maintaining, and, where applicable, ensuring that our third-party contractors (including those responsible for supply of Tecelra or any raw or intermediate materials required for such supply) achieve and maintain, compliance with our contractual obligations and with all regulatory requirements applicable to Tecelra;
- the willingness of physicians, operators of hospitals and clinics and patients to adopt and administer Tecelra;
- the availability of coverage and adequate reimbursement from managed care plans, private insurers, government payors (such as Medicare and Medicaid and similar foreign authorities) and other third-party payors for Tecelra;
- patients' ability and willingness to pay out-of-pocket for Tecelra in the absence of coverage and/or adequate reimbursement from third-party payors;
- patient demand for Tecelra;
- the identification of patients eligible for treatment by the authorized treatment centres (including by referral from other hospitals and treatment centres) and the ability of the authorized treatment centres to progress such patients through to treatment;
- prevalence of the required HLA types and antigen within the synovial sarcoma population and the ability of the tests for HLA and antigen to function as expected;
- our ability to avoid third-party patent interference, intellectual property challenges or intellectual property infringement claims; and
- our ability to comply with any post marketing requirements and obligations including those imposed by the FDA as part of the authorization for Tecelra.

These factors, many of which are beyond our control, could cause us to experience significant delays or an inability to obtain regulatory approvals or commercialize Tecelra. While we have obtained regulatory approval of Tecelra in the United States, we may never be able to successfully commercialize Tecelra in the United States or receive regulatory approval of Tecelra outside the United States. Accordingly, we cannot provide assurances as to the revenue obtainable through the sale of Tecelra.

Tecelra is approved under accelerated approval in the United States, and additional confirmatory work is required in order to maintain that approval. Inability to maintain approval or to otherwise meet the requirements imposed by the FDA will have a significant impact on our ability to commercialize Tecelra.

Tecelra is approved under accelerated approval in the U.S. based on overall response rate and duration of response. Continued approval for this indication is contingent upon verification and description of clinical benefit in a confirmatory trial. Our ability to obtain traditional approval for Tecelra may require the conduction of additional studies and will require ongoing discussions with the FDA. Any additional work required to satisfy the conditions of accelerated approval will require additional finances, and any ability to obtain any additional required capital or equivalent sources of finance may delay or prevent our ability to maintain approval for Tecelra.

As part of the approval of Tecelra, certain post approval requirements apply which, if not satisfied, could impact continued approval of Tecelra.

Tecelra is subject to continuing regulation by the FDA Failure to meet any of these requirements may result in negative consequences including adverse publicity, judicial or administrative enforcement, warning letters from the FDA, mandated corrective advertising or communications with doctors, and civil or criminal penalties.

These requirements include submissions of safety and other postmarketing information and reports, registration and listing, as well as continued compliance with cGMPs and cGCPs for any clinical trials that we conduct post-approval. In addition, the FDA and other regulatory authorities may impose additional restrictions or require amendments to our product label after marketing approval in the event of additional adverse events with our cell therapy or of other adverse events seen with similar cell therapy products.

As part of the approval of Teclera, the FDA has imposed certain Postmarketing Commitments ("PMCs") and Postmarketing Requirements ("PMRs"), including certain requirements to conduct additional studies under proscribed timelines. Failure to conduct these PMCs and PMRs in a timely manner could result in enforcement action from the FDA.

We and our contract manufacturers will be subject to periodic unannounced inspections by the FDA to monitor and ensure compliance with cGMPs. We must also comply with requirements concerning advertising and promotion for any cell therapies for which we obtain marketing approval. Promotional communications with respect to prescription drugs, including biologics, are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, we will not be able to promote any cell therapies we develop for indications or uses for which they are not approved.

The approval of Tecelra is limited to adult patients with unresectable or metastatic synovial sarcoma who have received prior chemotherapy, are positive for HLA-A*02:01P, -A*02:02P, -A*02:03P, or -A*02:06P, and negative for HLA-A*02:05P, and whose tumor expresses the MAGE-A4 antigen.

As is common for initial approval of cancer therapies, Tecelra has been approved by the FDA for use in a limited patient population, who have unresectable or metastatic synovial sarcoma and who have already received prior systemic therapy. As a result, our ability to market Tecelra is generally limited to that patient population.

The use of prior therapies or treatment for synovial sarcoma may reduce the effectiveness of our cell therapies.

This is the first time we as an organization are marketing a product and we have limited experience as a commercial company and have never generated revenue from product sales.

Tecelra is the first product for which we have obtained FDA approval. As a company we have not yet launched any approved products for commercial sale and have not previously generated any revenue from product sales. Accordingly, we will need to continue to transition from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition. We have recruited experienced commercial and medical affairs teams and we will need to continue to develop those teams and the associated support network in order to supply Tecelra on a commercial basis.

We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train, and retain suitably skilled and experienced marketing and sales personnel. This process may result in additional delays in bringing our cell therapies to market or in certain cases require us to enter into alliances with third parties in order to do so. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or even if we are able to do so, that they will result in effective sales forces. Any revenue we receive will depend upon the efforts of such third parties, which may not be successful. We may have little or no control over the efforts of such third parties, and our revenue from cell therapy sales may be lower than if we had commercialized our cell therapies ourselves.

For Tecelra, we are using certain third parties to supplement the internal commercial facing teams. We are also using a third party distributor to supply Tecelra and third parties to provide some of the systems required to supply Tecelra and support patients prescribed with Tecelra. We are reliant on those third parties to provide the services we require in accordance with our planned timelines. If any critical third party supplier fails to provide the services as required that may result in a delay to the commercialization of Tecelra. Any inability on our part to develop inhouse sales and commercial distribution capabilities or to establish and maintain relationships with third-party collaborators that can successfully commercialize any cell therapy in the U.S. or elsewhere will have a materially adverse effect on our business and results of operations.

As a novel cell therapy, Tecelra may not gain market acceptance among physicians, patients, hospitals, cancer treatment centers and others in the medical community, including referral centers.

The use of engineered T-cells and cell therapies more generally as a potential cancer treatment is a recent development and may not become broadly accepted by physicians, patients, hospitals, cancer treatment centers and others in the medical community. For example, the product labelling and prescribing information for Tecelra describe certain limitations of use, adverse events, and warnings and precautions, including a boxed warning related to Cytokine Release Syndrome (CRS), which may be severe or life threatening and which occurred in patients receiving Tecelra in clinical trials. Additional factors will influence whether Tecelra is accepted in the market, including:

- physicians, hospitals, cancer treatment centers and patients considering Tecelra as a safe and effective treatment;
- the potential and perceived advantages of Tecelra over alternative treatments;
- the prevalence and severity of any side effects;
- willingness of treating centers to test for the required HLA types and MAGE A4 antigen using the FDA approved tests;
- our product labeling and prescribing information describe certain limitations of use, adverse events, and warnings and precautions;
- the cost of Tecelra in relation to alternative treatments;
- the willingness of referral centers and awareness of referral centers to refer patients to our authorized treatment centers;
- the availability of coverage, adequate reimbursement and pricing by third-party payors and government authorities;
- the willingness of patients to pay for Tecelra on an out-of-pocket basis in the absence of coverage by third-party payors and government authorities;
- relative convenience and ease of administration as compared to alternative treatments and competitive therapies; and
- the effectiveness of our sales and marketing efforts.

The product labelling and prescribing information for Tecelra includes a boxed warning for CRS as well as other warnings and precautions. As Tecelra is used commercially, the rate and nature of adverse reactions may increase and as afamitresgene autoleucel (afami-cel) is studied in additional indications and populations, toxicities may further limit its development and use.

Coverage, price flexibility, and reimbursement may be limited or unavailable in certain market segments for Tecelra.

Successful sales of Tecelra may depend on the availability of coverage and adequate reimbursement from third-party payors. In addition, because Tecelra represents a new approach to the treatment of synovial sarcoma, we cannot accurately estimate the potential revenue from Tecelra.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Obtaining coverage and adequate reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Reimbursement by a third-party payor may depend upon a number of factors, including, but not limited to, the third-party payor's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient; and
- cost-effective.

Obtaining coverage and reimbursement approval of Tecelra from a government or other third-party payor is a time consuming and costly process which could require us to provide to the payor supporting scientific, clinical and cost-effectiveness data for the use of our products. Even if we obtain coverage for Tecelra, the resulting reimbursement payment rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Patients are unlikely to use Tecelra unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of Tecelra.

In the U.S., no uniform policy of coverage and reimbursement for products exists among third-party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our cell therapies to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, national and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare, including the Affordable Care Act ("ACA") or provisions of the Inflation Reduction Act ("IRA"). Such regulatory changes may bring prescription drug pricing reform or healthcare affordability programs that, for example, seek to lower prescription drug costs by allowing governmental healthcare programs to negotiate prices with drug companies, put an inflation cap on drug prices, and lower out-of-pocket expenses for recipients of governmental healthcare programs. We cannot predict the initiatives that may be adopted in the future.

Tecelra represents a novel approach to treatment of synovial sarcoma that could result in heightened regulatory scrutiny.

Use of Tecelra to treat a patient involves genetically engineering a patient's T-cells. This is a relatively novel treatment approach that carries inherent development risks including the following, any of which can result in delays to our ability to provide confirmatory evidence of Tecelra's effectiveness:

- Further development, characterization and evaluation may be required if post-marketing or clinical data suggest any potential safety risk for patients. The need to develop further assays, or to modify in any way the protocols related to Tecelra to improve safety or effectiveness, may delay the commercialization and further clinical development;
- End users and medical personnel require a substantial amount of education and training in their administration of Tecelra either to engage in confirmatory clinical trials and recruit patients or ultimately to provide Tecelra to patients.
- Regulatory requirements governing gene and cell therapy products have changed frequently and may continue to change in the future.
- There is the potential for delayed adverse events following exposure to gene therapy products due to persistent biological activity of the genetic material or other components of products used to carry the genetic material. In part for this reason, the FDA recommends a 15-year follow-up observation period for all surviving patients who receive treatment using gene therapies in clinical trials.

- Negative results seen in third party clinical trials utilizing gene therapy products may result in regulators halting development and commercialization of our cell therapies, including Tecelra, or in requiring additional data or requirements prior to our cell therapies progressing to the next stage of development.

Manufacturing and supply of cell therapies is complex, and if we encounter any difficulties in manufacture or supply of Tecelra or our ability to provide supply for confirmatory clinical trials commercial supply of Tecelra could be delayed or stopped.

The process of manufacturing and administering Tecelra is complex and highly regulated. Manufacture requires the harvesting of white blood cells from the patient, isolating certain T-cells from these white blood cells, combining patient T-cells with our lentiviral delivery vector through a process known as transduction, expanding the transduced T-cells to obtain the desired dose, and ultimately infusing the modified T-cells back into the patient. As a result of the complexities, our manufacturing and supply costs are likely to be higher than those at more traditional manufacturing processes and the manufacturing process is less reliable and more difficult to reproduce.

Delays or failures in the manufacture of Tecelra (whether by us, any collaborator or our third party contract manufacturers) may result in a patient being unable to receive Tecelra or a requirement to re-manufacture which itself then causes delays in manufacture for other patients. Any delay or failure or inability to manufacture on a timely basis can adversely affect a patient's outcomes and delay the timelines for our confirmatory clinical trials and commercialization. With a commercial product delays or failure to manufacture could additionally lead to claims by patients for reimbursement or damages. Such delays or failure or inability to manufacture can result from:

- a failure in the manufacturing process itself for example, by an error in manufacturing process (whether by us or our third party contract manufacturing organization), equipment or reagent failure, failure in any step of the manufacturing process, failure to maintain a GMP environment, failure in quality systems applicable to manufacture, sterility failures, contamination during process;
- variations in patient starting material or apheresis product resulting in less product than expected or product which is not viable, or which cannot be used to successfully manufacture a cell therapy;
- product loss or failure due to logistical issues including issues associated with the differences between patients' white blood cells or characteristics, interruptions to process, contamination, failure to supply patient apheresis material within required timescales (for example, as a result of an import or export hold-up) or supplier error;
- inability to have enough manufacturing slots to manufacture cell therapies for patients as and when those patients require manufacture;
- inability to procure components, consumables, ingredients, or starting materials, or to manufacture starting materials (including at our U.K. vector facility), as a result of supply chain issues;
- loss of or close-down of any manufacturing facility used in the manufacture of our cell therapies. For example, we will be manufacturing Tecelra at our Navy Yard manufacturing facility. Should there be a contamination event at the facility resulting in the close-down of that facility, it would not be possible to find alternative manufacturing capability for Tecelra within the timescales required for patient supply including for commercial supply.
- loss or contamination of patient starting material, requiring the starting material to be obtained again from the patient or the manufacturing process to be re-started. In the context of commercial supply, this could result in cancellation of order for the commercial cell therapy or a claim from the patient;
- a requirement to modify or make changes to any manufacturing process. Such changes may additionally require comparability testing which then may reduce the amount of manufacturing slots available for manufacture of Tecelra. Delays in our ability to make the required modifications or perform any required comparability testing within currently anticipated timeframes or that such modifications or comparability testing, when made, will obtain regulatory approval or that the new processes or modified processes will successfully be transferred to the third party contract suppliers within currently anticipated timeframes can also impact timelines for manufacture;
- reduction or loss of the staff resources required to manufacture our cell therapies at our facilities or those of our CMOs;
- allocation of the resources, materials, and services of any collaborator or our third party contract manufacturers away from our cell therapy programs;
- reduction in available workforce to perform manufacturing processes, for example, as a result of a COVID-19 outbreak or workforce exhibiting potential COVID-19 symptoms, and pending receipt of test results for COVID-19 infection;
- changes in the manufacturing and supply process. Any changes to the manufacturing process may require amendments to be made to regulatory applications or comparability tests to be conducted which can further delay timeframes. If Tecelra

manufactured under the new process has a worse safety or efficacy profile than the prior product or the process is less reproducible than the previous process, we may need to re-evaluate the use of that manufacturing process, which could significantly delay or even result in the halting of our confirmatory clinical trials and commercialization.

We will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense as well as significant penalties if we fail to comply with regulatory requirements or experience unanticipated problems with Tecelra.

FDA approval is accompanied by requirements to conduct surveillance to monitor the safety and efficacy of Tecelra.

Later discovery of previously unknown problems with Tecelra, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on our ability to conduct further clinical trials, including full or partial clinical holds on ongoing or planned trials;
- restrictions on Tecelra's manufacturing processes;
- restrictions on the marketing of Tecelra;
- restrictions on product distribution;
- requirements to conduct additional post-marketing clinical trials;
- untitled or warning letters;
- withdrawal of Tecelra from the market;
- refusal to approve pending supplements to the Tecelra that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of regulatory approvals;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions;
- imposition of civil penalties; or
- criminal prosecution

The FDA's and other regulatory authorities' policies may change, and additional government regulations may be enacted that could adversely impact the approval of Tecelra. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the U.S. or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose marketing approval and we may not achieve or sustain profitability.

In addition, FDA has required us to conduct a confirmatory trial to verify the clinical benefit of Tecelra. The results from the confirmatory trial or trials may not support the clinical benefit, which could result in the approval being withdrawn.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three-month period ended September 30, 2024, none of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

The following exhibits are either provided with this Quarterly Report on Form 10-Q or are incorporated herein by reference:

Exhibit Number	Description of Exhibit
10.1**†	Mutual Release and Resolution Agreement dated September 23, 2024 by and among Adaptimmune Limited, Genentech, Inc., and F. Hoffman La-Roche Ltd.
31.1**	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1***	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2***	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following financial information from Adaptimmune Therapeutics plc's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023, (ii) Unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023, (iii) Unaudited Condensed Consolidated Statements of Comprehensive Income/Loss for the three and nine months ended September 30, 2024 and 2023, (iv) Unaudited Condensed Consolidated Statements of Change in Equity for the three and nine months ended September 30, 2024 and 2023, (v) Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023 and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
104**	Cover Page Interactive date File (formatted in Inline XBRL and contained in Exhibit 101).

** Filed herewith.

*** Furnished herewith.

† Certain private or confidential information (as indicated therein) have been redacted pursuant to Item 601(b)(10) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADAPTIMMUNE THERAPEUTICS PLC

Date: November 13, 2024

/s/ Adrian Rawcliffe
Adrian Rawcliffe
Chief Executive Officer

Date: November 13, 2024

/s/ Gavin Wood
Gavin Wood
Chief Financial Officer

Exhibit 10.1

(***) CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(b)(10). SUCH EXCLUDED INFORMATION IS BOTH (I) NOT MATERIAL AND (II) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

MUTUAL RELEASE AND RESOLUTION AGREEMENT

This Settlement Agreement (the "**Agreement**") is made and entered into as of September 23, 2024 (the "**Effective Date**") by and among Adaptimmune Limited, having its principal place of business at 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX, United Kingdom ("**Adaptimmune**"), on the one hand, and Genentech, Inc., a Delaware corporation, having its principal place of business at 1 DNA Way, South San Francisco, California 94080, United States ("**GNE**"), and F. Hoffmann-La Roche Ltd, having its principal place of business at Grenzacherstrasse 124, CH 4070 Basel, Switzerland ("**Roche**"), on the other hand. Adaptimmune and GNE are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**." The term "Party" or "Parties" shall not include Roche unless explicitly stated below.

WHEREAS, Adaptimmune, GNE, and Roche are signatories to a Strategic Collaboration And License Agreement by and among them executed on September 3, 2021 (the "**Collaboration Agreement**");

WHEREAS, by notice dated April 8, 2024, Genentech terminated the Collaboration Agreement in accordance with Article 17.4.1 of the Collaboration Agreement;

WHEREAS, under the Collaboration Agreement, this termination will become effective 180 days later on October 7, 2024;

WHEREAS, the Parties are in dispute in relation to interpretation of certain provisions of the Collaboration Agreement;

WHEREAS, the Parties have agreed upon a basis for the resolution of their dispute and any other claims and rights that any Party may want to assert against the other, in order to avoid the cost and expense of litigation and arbitration, without any admission of liability or wrongdoing on behalf of any Party; and

WHEREAS, the Parties mutually agree to terminate the Collaboration Agreement and to settle and release each Party from any and all past, present, and future disputes, claims, demands, and causes of action of any nature whatsoever, whether known or unknown, arising out of, in connection with, or in relation to the Collaboration Agreement, for and in consideration of the mutual covenants, promises, releases, and agreements contained in this Agreement, and for such other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged;

NOW, THEREFORE, it is hereby agreed by and among GNE, Roche, and Adaptimmune as follows:

1. **No Admission**: As used in this Section 1, the terms "GNE" and "Parties" shall include Roche. Neither this Agreement, nor anything contained herein, shall be construed as an admission of any liability or wrongdoing on behalf of any Party.

2. **Termination of the Collaboration Agreement**: As used in this Section 2, the terms "GNE" and "Parties" shall include Roche. The Parties agree that the Collaboration Agreement by and among them shall be deemed terminated as of the Effective Date of this Agreement, and the Parties' respective rights and obligations thereunder, including any rights or obligations thereunder that purport to survive termination (except as set forth expressly herein), shall be extinguished and have no further force and effect except as expressly stated herein.

3. **Payment**:

a. GNE will pay to Adaptimmune the amount of twelve million, five hundred thousand U.S. Dollars (USD $12,500,000) (the "**Payment**"). (***).

b. (***)

c. (***)

4. **Mutual Release and (***)**:

As used in this Section 4, the terms "GNE" and "Parties" shall include Roche.

a. **Release by Adaptimmune**: As of the Effective Date of this Agreement, Adaptimmune, on behalf of itself and each of its respective successors, assigns, and any other person or entity who may make a claim in its name hereby fully and forever releases and discharges GNE and its shareholders, parents, subsidiaries, affiliates, agents, representatives, successors, and assigns, and all of their respective officers, directors, and employees, from any and all Claims (as defined below), including any past, present, or future Claims, whether known or unknown, anticipated, made, asserted, or brought, or that could have been anticipated, made, asserted, or brought, arising out of, in connection with, or in relation to the Collaboration Agreement in any way; provided, however, that nothing in this Section 4(a) shall operate to release or discharge any Claim for breach of this Agreement.

b. **Release by GNE**: As of the Effective Date of this Agreement, GNE, on behalf of itself and each of its respective successors, assigns, and any other person or entity who may make a claim in its name hereby fully and forever releases and discharges Adaptimmune and its shareholders, parents, subsidiaries, affiliates, agents, representatives, successors, and assigns, and all of their respective officers, directors, and employees, from any and all Claims (as defined below), including any past, present, or future Claims, whether known or unknown, anticipated, made, asserted, or brought, or that could have been anticipated, made, asserted, or brought, arising out of, in connection with, or in relation to the Collaboration Agreement in any way; provided, however, that nothing in this Section 4(b) shall operate to release or discharge any Claim for breach of this Agreement.

As used herein, the terms "**Claim**" or "**Claims**" mean all disputes, claims, actions, causes of actions, demands, defenses judgments, debts, expenses, losses, liabilities, and obligations of

whatsoever kind and nature, character, and description, whether known or unknown, whether anticipated, made, asserted, or brought, or that could have been anticipated, made, asserted, or brought, for the purpose of recovering any damages or for the purpose of obtaining any equitable relief or any other relief of any kind.

c. (***)

d. **Release of Unknown Claims**: The Parties understand that Section 1542 of the California Civil Code provides that:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

The Parties acknowledge that they are aware that they may hereafter discover facts different from or in addition to what they now know or believe to be true with respect to the matters herein released, and they agree that these releases shall be and remain in effect in all respects as complete general releases as to the matters released, notwithstanding any such different or additional facts. Each Party acknowledges that it has been informed of Section 1542 of the California Civil Code and does hereby expressly waive and relinquish all rights and benefits, if any, which it has or may have under said Section and any similar or comparable federal, state or local law. The Parties represent, warrant and agree that this waiver is a material term of this Agreement, without which the Parties would not have entered into this Agreement.

e. **Future Actions**: This Agreement shall be deemed breached by a Party, and a cause of action accrued thereon by that Party immediately, upon the commencement or continuation of any action based upon any Claim released by the Parties in this Agreement. This Agreement may be raised as a full and complete defense to any Claim that any Party may institute, prosecute or attempt in breach of this Agreement. In any such action, and in any action to enforce this Agreement, the prevailing Party shall recover its reasonable attorneys' fees and costs.

f. **Scope of Mutual Release and (***)**:

(i) Each Party knowingly and intentionally waives any and all rights, benefits, and protections of any state or federal statute or common law limiting the scope of a general release, except as otherwise provided in this Agreement. (***).

(ii) This Agreement sets forth a compromise and settlement of Claims for the purpose of avoiding the costs, disruptions, and uncertainties associated with litigation and arbitration. This Agreement, and the communications, documents, and/or correspondence exchanged during the negotiation/settlement process, do not constitute and shall not be considered a ruling on the merits, an admission as to any issue of fact or law, or an admission of liability or responsibility of any Party, and any and all admissions of liability or responsibility are expressly denied by the Parties.

5. **Representations and Warranties**: As used in this Section 5, the terms "GNE" and "Parties" shall include Roche. Each Party hereby represents and warrants to the other Parties that: (i) it has all the requisite corporate power and capacity to execute, deliver, and perform this Agreement; (ii) this Agreement has been duly authorized, executed, and delivered by all necessary corporate action; (iii) this Agreement constitutes a legal, valid, and binding obligation, enforceable against it in accordance with its terms; (iv) there is no pending proceeding, lawsuit, arbitration, agreement, transaction, or negotiation that would render this Agreement void, voidable, or unenforceable; (v) it has not sold, assigned, conveyed, transferred, hypothecated, pledged or encumbered, or otherwise disposed of, in whole or in part, voluntarily or involuntarily, any Claim released by it pursuant to this Agreement; (vi) no Party knows of any Claims against another Party relating to or arising out of the Collaboration Agreement that is not covered by the release contained in Section 4 of this Agreement; and (vii) no Party has assigned or transferred any of the Claims released herein to any person or entity.

Except for the express representations and warranties set forth in this Agreement, no Party hereto or any person on such Party's behalf has made or makes any express or implied representation or warranty whatsoever, either oral or written, whether arising by law, course of dealing, course of performance, or otherwise, all of which are expressly disclaimed. Each Party further acknowledges that, in entering into this Agreement, it has not relied upon any representation or warranty made by the other Party, or any other person on such other Party's behalf, except as specifically provided in this Agreement.

6. **Governing Law**: As used in this Section 6, the terms "GNE" and "Parties" shall include Roche. This Agreement and the rights and obligations of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions whether of the State of New York or any other jurisdiction.

7. (***)

8. **Confidentiality**: As used in this Section 8, the terms "GNE" and "Parties" shall include Roche.

The parties expressly incorporate the definition of Confidential Information as set forth in Article 1.41 of the Collaboration Agreement, without incorporating any other provision or obligation set forth in the Collaboration Agreement (except as expressly set forth herein). For the avoidance of doubt, any Confidential Information that is not destroyed or returned pursuant to Section 10 of this Agreement is deemed Grantback-related information and subject to the scope of Section 11 (Collaboration Grantback Licenses) of this Agreement and is exempt from the obligation of destruction or return as set forth herein.

The Parties agree that the existence and terms of this Agreement, as well as all information and communications, written or oral, relating to the negotiation of this Agreement (the "**Settlement Confidential Information**") shall be kept confidential and may be revealed or disclosed only to the employees of the Parties (***). Each Party shall be responsible for ensuring that the persons to whom it discloses Settlement Confidential Information maintain and protect its confidentiality.

Notwithstanding the foregoing, the Parties may disclose the Settlement Confidential Information to the extent necessary to prosecute or defend its position in related proceedings or to pursue a legal right, to respond to a compulsory order or request for information of a court or governmental or regulatory body, to make a disclosure required by law or by the rules of a securities exchange, or to seek legal, accounting, or other professional services, provided that, in case of any disclosure allowed under the foregoing circumstances, the disclosing Party takes reasonable measures to ensure that the recipient preserves the confidentiality of the Settlement Confidential Information provided as set forth in this Section 8; and, assuming permissible by law, provided that the disclosing Party promptly provides the other Party with prior written notice of any such disclosures. The Parties' obligations arising from this Section 8 are continuing in nature and shall survive this Agreement.

9. **Publicity and Disclosures**: The Parties agree that the text of any press releases or other public disclosure or announcement concerning this Agreement or the subject matter hereof (a "Disclosure"), if any, shall be agreed upon by the Parties and shall be jointly issued by the Parties. (***).

10. **Return and Destruction of Confidential Information**: Within (***) days following the Effective Date of this Agreement, the Party that has Confidential Information (as defined in Article 1.41 of the Collaboration Agreement) of the other Party shall destroy all such Confidential Information in its possession as of the Effective Date of this Agreement, (***). Confidential Information of the other Party existing on any backup, back-end, or archiving system, or in electronic files of such Party that are not reasonably accessible, including in any electronic files subject to legal dispute-related (*e.g.*, litigation or arbitration) hold, and which cannot be reasonably deleted from such systems or files, may be retained by such Party, *provided* that confidentiality is maintained in accordance with this Agreement. (***).

11. (***)

12. **Use of Residual Knowledge**: Notwithstanding any provision of this Agreement to the contrary, each Party may use any Residual Knowledge for any purpose; provided that, for clarity, this right to use Residual Knowledge does not represent a license to any patent rights owned or in-licensed by the other Party (except as expressly set forth herein). Any use made by a Party of Residual Knowledge is on an "as is, where is" basis, with all faults and all representations and warranties disclaimed at such Party's sole risk. As used herein, "Residual Knowledge" means Know-How (as defined in the Collaboration Agreement) that is (a) reflected in any Confidential Information (as defined in Article 1.41 of the Collaboration Agreement) of a given Party and (b) retained in the unaided memory of the officers, directors, employees, and agents of the other Party after having access to such Confidential Information. An individual's memory will be considered to be unaided if the individual has not intentionally memorized the Confidential Information for the purpose of retaining and subsequently using or disclosing it in a manner inconsistent with the terms of this Agreement.

13. **Limitation of Liability and Damages Cap**: AS USED IN THIS SECTION 13, THE TERMS "GNE" AND "PARTIES" SHALL INCLUDE ROCHE. NO PARTY HERETO WILL

BE LIABLE TO ANY OTHER PARTY OR ANY THIRD PARTY FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, ENHANCED OR PUNITIVE DAMAGES OF ANY KIND, OR FOR ANY CLAIM FOR LOST PROFITS, LOST REVENUES, LOSS OF ANTICIPATED PROFITS, LOSS OF USE, OR DIMINUTION IN VALUE, IN EACH CASE ARISING FROM, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT OR THE COLLABORATION AGREEMENT, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, WARRANTY, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND REGARDLESS OF WHETHER SUCH DAMAGES ARE FORESEEABLE OR WHETHER SUCH PARTY IS ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES. IN NO EVENT SHALL A PARTY BE LIABLE FOR ANY DAMAGES ARISING UNDER OR RELATING IN ANY MANNER TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, IN EXCESS OF $10 MILLION USD.

As used in Sections 14–22, the terms “GNE” and “Parties” shall include Roche.

14. **Counterparts**: This Agreement may be executed in any number of counterparts, each of which shall have full force and effect and, when taken together, shall be deemed one and the same document. Signature and delivery by facsimile, or digitally, or by similar means, and the reproduction of signatures by facsimile, or digitally, or by similar means, shall be treated as binding as if originals.

15. **Mutually Drafted**: For purposes of construing this Agreement, each of the Parties shall be deemed the drafter of this Agreement. Each Party has received independent legal advice regarding this Agreement and its respective rights and obligations set forth herein.

16. **Further Assurances**: The Parties shall take such other actions and execute such other documents as may be reasonably necessary to effectuate this Agreement and the undertakings made herein.

17. **Non-Reliance**: The Parties expressly assume any and all risk that the facts and law may be or become different from the facts and law as known to, or believed to be by the Parties, as of the date of this Agreement. In executing this Agreement, neither Party has relied upon any information supplied by the other, or upon any obligation or alleged obligation of the other Party to disclose information relevant to this Agreement, except for the express written representations and covenants set forth in this Agreement, each of which is material to each Party’s respective decision to enter into this Agreement.

18. **Entire Agreement; Modification**: This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and may not be altered, superseded, terminated, amended, or modified, and no provision may be waived, except by a writing signed by each of the Parties. Except as expressly stated in this Agreement, the Parties shall have no obligation of any kind to one another after this Agreement becomes effective in accordance with the terms hereof. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, executors, administrators, successors, predecessors, affiliates, and permitted assigns. This Agreement shall not be assignable or otherwise transferable by either Party

without the prior written consent of the other Party and any attempt to so assign or transfer this Agreement without such consent shall be void and of no effect. The terms of this Agreement supersede all prior understandings, representations, warranties, promises, undertakings, agreements, including the Collaboration Agreement, between the Parties, except as expressly stated herein.

19. **Headings**: The headings contained herein are used for convenience and shall not be construed as defining or in any way affecting the meaning or scope of any provision of this Agreement.

20. **Maximum Effect**: If any provision of this Agreement is held to be unenforceable by a court of competent jurisdiction or arbitral tribunal, the remaining provisions shall be enforced to the maximum extent possible. If a court or arbitral tribunal should determine that any provision of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found overbroad or unreasonable.

21. **Attorneys' Fees**: The Parties shall bear their own respective attorneys' fees in connection with the drafting and negotiation of this Agreement.

22. **Notice**: For any purpose under this Agreement, notice shall be in writing and shall specifically refer to this Agreement. Notices shall be sent via one of the following means and will be effective: (a) on the date of delivery, if delivered in person; or (b) on the date of receipt, if sent by private express courier or by first class certified mail, return receipt requested. Notices shall be sent to the other Party at the addresses set forth below. Either Party may change its addresses for purposes of this Section 22 by sending written notice to the other Party.

If to GNE:

(***)

with required copies (which shall not constitute notice) to:

(***)

If to Roche:

(***)

If to Adaptimmune:

(***)

IN WITNESS WHEREOF, the Parties hereto (including Roche) have executed this Agreement by their respective officers hereunto duly authorized, on the Effective Date.

ADAPTIMMUNE LIMITED

By: /s/ Helen Tayton-Martin

Name: Helen Tayton-Martin

Title: Chief Business & Strategy Officer

GENENTECH, INC.

By: /s/ Neal Dahiya

Name: Neal Dahiya

Title: VP, Litigation

F. HOFFMANN-LA ROCHE LTD

By: /s/ Matthias Rueth

Name: Matthias Rueth

Title: Head Alliance and Asset Management

By: /s/ Hannah Boehm

Name: Hannah Boehm

Title: Senior Legal Counsel

Exhibit 31.1

Certification Required by Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Adrian Rawcliffe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Adaptimmune Therapeutics plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2024

/s/ Adrian Rawcliffe
Adrian Rawcliffe
Chief Executive Officer

Exhibit 31.2

Certification Required by Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gavin Wood, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Adaptimmune Therapeutics plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2024

/s/ Gavin Wood
Gavin Wood
Chief Financial Officer

Exhibit 32.1

Section 906 Certificate

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Adrian Rawcliffe, Chief Executive Officer of Adaptimmune Therapeutics plc, a public limited company incorporated under English law (the "Company"), hereby certify, to my knowledge, that:

1. The Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2024

/s/ Adrian Rawcliffe
Adrian Rawcliffe
Chief Executive Officer

Exhibit 32.2

Section 906 Certificate

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Gavin Wood, Chief Financial Officer of Adaptimmune Therapeutics plc, a public limited company incorporated under English law (the "Company"), hereby certify, to my knowledge, that:

1. The Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, to which this Certification is attached as Exhibit 32.2 (the "Quarterly Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2024

/s/ Gavin Wood
Gavin Wood
Chief Financial Officer