

CORPORATE GOVERNANCE STATEMENT

The Board of Horizon Discovery Group plc (the “Company”) is responsible for the Group’s corporate governance policies and recognises the importance of high standards of integrity. The Company has adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies 2018 (the “QCA Code”). This statement sets out how the Company complies with the 10 principles of the QCA Code.

1. STRATEGY & BUSINESS MODEL

Our mission is to leverage our expertise in innovative gene editing and gene modulation applications to provide customers with tools and services to transform human health.

Key to the delivery of this mission is our “Investing for Growth” strategy that we launched in late 2018. We developed this strategy to support our overarching goal to become the “go-to” provider of cell engineering solutions. The strategy involved us restructuring our business model to prioritise the highest-value, highest growth areas of our markets, while investing in automation, data management and digitisation.

We are a leader in leveraging technologies in gene editing and gene modulation with a demonstrated ability to develop and commercialise innovative applications.

The expertise and know-how, which we have developed over several decades, underpins our portfolio of tools and services which scientists to gain a greater understanding of gene function, identify genetic drivers behind human disease, deliver biotherapeutics and cellular and gene therapies for precision medicine.

Further information on the Company’s strategy and business model can be found on the Company’s website at www.horizondiscoveryplc.com

2. UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

The Board believes that maintaining regular and transparent dialogue with shareholders is important in order to ensure that there is a clear understanding of strategic objectives, financial and operational performance, and governance of the Group.

The CEO and CFO, working in consultation with the Company’s advisers, make themselves available and expect to meet with major institutional shareholders at least twice a year, following mid-year and full-year results, through roadshows that take place in London, Edinburgh and in the major investment centres internationally, including in the United States (New York, Boston, and San Francisco).

Additional support for current and prospective shareholders is available throughout the year from Executive Directors. The Board is responsible for oversight of these activities, including giving careful consideration to feedback from investors following roadshows and throughout the year.

The points of contact for such matters can be found on the contacts page of the Company’s website at www.horizondiscoveryplc.com

3. TAKING INTO ACCOUNT WIDER STAKEHOLDER & SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Company's goal is to have a meaningful impact on the world around us. We strive not just to be a commercially successful, world-class science-led company, but also one that makes a real difference for our customers, for our employees, for patients and for society. We work with one purpose towards our common goal, embracing our unique, diverse skills, and respecting and understanding challenging viewpoints to continually learn and evolve an integrated corporate identity.

Philosophy

At Horizon, we are building a culture of trust, diversity and inclusion that will deliver sustainable growth for our organisation whilst enhancing the world around us. We aim to enrich the lives of our stakeholders by creating value for our customers, investors, employees, patients, life science research and local communities.

We achieve this by engaging with local communities, caring for the environment and by acting with integrity in our everyday dealings with suppliers and customers. We make a difference by improving access to health and education, always hoping that our innovative science and experienced staff can add value.

Community outreach

Our social and charitable activities are at the heart of our engagement and cultural programmes. Our activities in fundraising make a valuable difference to the local communities and charities we support. Further details can be found in the Corporate Social Responsibility section of the Company's Annual Report which is available on the Company's website www.horizondiscoveryplc.com.

Employees

The Company is committed to creating and maintaining a work environment which offers equal opportunities to all, which is inclusive and diverse and encourages those with different backgrounds and experience to develop. We are keen to support all diverse populations including reference to race, disability, gender and sexual orientation. The Company will make reasonable adjustments to enable anyone with a disability to work safely and productively. To maintain our inclusive environment, we review gender pay annually. To encourage feedback we conduct an annual staff survey. In addition to ensure employees are fully informed we hold quarterly global Town. Further details can be found in the Corporate Social Responsibility section of the Company's Annual Report which is available on the Company's website www.horizondiscoveryplc.com.

Health and safety

The Company is committed to proactively managing safety, eliminating harmful incidents and improving staff health and well-being. We have an established safety team, led by a dedicated health and safety manager. The key mandate of the team is to ensure zero incidences and ensure high standards of monitoring, reporting, inspection and documentation across all sites, through a proactive and consistent approach. We believe that by behaving as a responsible corporate citizen we will create a working environment that is consistent with the values of our global employees and ultimately drive value for the business as a whole.

Each of Horizon's laboratories perform a monthly health and safety audit, whereby these audits enable the safety team to quickly highlight areas of concern for rapid corrective and preventative action. The audit reports are reviewed at Executive and Board level.

Further details can be found in the Corporate Social Responsibility section of the Company's Annual Report which is available on the Company's website www.horizondiscoveryplc.com.

4. EMBEDDING EFFECTIVE RISK MANAGEMENT

Our strategy of "Investing for Growth", is based on an entrepreneurial and collaborative spirit which supports the rapid growth of long-term value for the business. Appropriate assessment, monitoring and mitigation of risk is an essential driver for our success. We put active mitigation programmes in place if any event or circumstance threatens the ability of the Group to achieve its business objectives or execute its strategies successfully.

Horizon's Business Risk Management Process forms a sound basis for the understanding, prioritisation and management of risk, elevating opportunity while reducing the potential for significant downside impact on the business. Through this process, risks are identified based on our strategic priorities while risk management strategies are designed, implemented, monitored and evolved continually.

The Group reviews risk on an enterprise-wide basis. The risk review is dynamic with principal risks amended in line with the current position of the Group. Our principal risks are those that threaten the delivery of the Group strategy and those that impact our business model, future performance, solvency or liquidity. The review includes discussion and appraisal of the risk registers across all business functions. The full risk register is considered by the Executive team, which is responsible for ensuring adequate risk mitigation controls and processes are implemented. The Board formally assesses the process at least once every year and monitors progress on an ongoing basis.

Further details can be found in the Risk Management section of the Company's Annual Report which is available on the Company's website www.horizondiscoveryplc.com.

5. MAINTAINING A BALANCED AND WELL-FUNCTIONING BOARD

Horizon's Directors believe that strong Corporate Governance is fundamental to the immediate and long-term success of the business, and that the Board bears the ultimate responsibility to ensure that strategy, operations, and financial reporting are all underpinned by robust processes.

We are therefore committed to playing a central role in the Group's governance by providing an external and independent perspective on matters material to our stakeholders, by establishing a framework that ensures that effective internal controls and risk management measures are in place, and by ensuring that good governance is part of a broader culture of openness, transparency, and responsibility that is felt at all levels of the organisation.

Horizon's Board of Directors currently consists of eight members, two Executive Directors (CEO and CFO) and six Non-Executive Directors of whom five are considered to be independent. The Board comes from a broad range of backgrounds and has the depth of skills and experience needed to provide effective guidance to the Executive Leadership of Horizon as they drive the Group forward through its sustainable growth phase.

Board meetings

The Board meets in full on at least a bi-monthly basis, with attendance required in person whenever practicable, with at least one meeting scheduled in a Horizon facility outside the UK per year. In addition, ad hoc meetings may be called to discuss urgent pertinent issues arising during the course of the year. The Chairman meets with the Executive Directors prior to scheduled and ad hoc meetings to discuss and set each Board agenda, including a forward schedule of items for future consideration.

Independence

The Board applies a rigorous process to ensure that its Non-Executive Directors remain independent. In accordance with established procedure, all Directors are required to notify the Board of any conflicts of interest, and a register of such interests is maintained. Also under procedure, all share purchases or sales are disclosed in Director/PDMR Shareholding RNS releases, and option holdings by the Directors are publicly disclosed in each Annual Report. Any changes to these interests are similarly notified to the Board. On this basis, the Board confirms that all Non-Executive Directors with the exception of Margarita Krivitski, are considered to be independent. Horizon Directors are not permitted to participate in any vote in which they have a conflict of interest, and in most instances recuse themselves from any such discussion.

6. HAVING APPROPRIATE EXPERIENCE, SKILLS AND CAPABILITIES ON THE BOARD

Details of the Directors' experience, skill and capability is provided in their biographies on the Company's website at www.horizondiscoveryplc.com

7. EVALUATING BOARD PERFORMANCE

Led by the Chairman, the Board regularly evaluates its own composition and performance in order to confirm that:

- A suitable level of discussion on strategic planning, financial performance, operational and governance matters is taking place
- The Board is acting independently, challenging the Executive Leadership as appropriate
- The composition of the Board contains the right combination of skills and experience for current and forthcoming challenges and opportunities of the Group; and
- Each member of the Board is able to dedicate sufficient time and attention to the business.

8. ETHICAL VALUES & BEHAVIOURS

Horizon's Directors believe that strong Corporate Governance is fundamental to the immediate and long term success of the business, and that the Board bears the ultimate responsibility to ensure that strategy, culture, operations, and financial reporting are all underpinned by robust processes. We are therefore committed to playing a central role in the Company's governance by providing an external and independent perspective on matters material to our stakeholders, by establishing a framework that ensures that effective internal controls and risk management measures are in place, and by ensuring that good governance is part of a broader culture of openness, transparency, and

responsibility that is felt at all levels of the organisation. Furthermore, the Company's ethical values are embedded in its recruitment, development, performance and recognition practices.

9. MAINTAINING GOVERNANCE STRUCTURES AND PROCESSES

Board Committees

In accordance with best practice, the Company has established Audit, Remuneration and Nomination Committees with written terms of reference for each which deal with their authorities and duties. Details of the remit and membership of the various committees can be found on the Governance section of the Annual Report and the Company's website at www.horizondiscoveryplc.com.

Accountability Corporate Compliance

The Board is responsible for the Group's corporate governance policies and recognises the importance of high standards of integrity. The Company has adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies 2018.

Whistle-blowing

Horizon prides itself on its honesty, integrity and high professional standards in its dealings with customers, with its staff and with the public. The Group demands the maintenance of these high standards in everything that it does, and to this end the Group has established an internal policy and procedures that encourage and support employees in coming forward and reporting certain types of conduct or activities that fall short. The chairman of the audit committee is responsible for ensuring that any concerns raised are followed up in an effective and timely manner. Training on the Group's whistleblowing policy is included in the on-boarding process for all new employees.

10. COMMUNICATING WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Board believes that maintaining regular and transparent dialogue with shareholders is important in order to ensure that there is a clear understanding of strategic objectives, financial and operational performance, and governance of the Group.

Investor Relations Website

The Company provides extensive information including on share price, investor news, and resources and reports on the Investor Relations section of the Group's website, where interested individuals can also register to receive electronic copies of all RNS and RNS-Reach announcements on the day they are issued.

Annual General Meeting (AGM)

The Board actively encourages participation in the AGM, which is the principal forum for dialogue with shareholders. Prior to the AGM, the Annual Report, the Notice of Annual General Meeting and Notice of Availability Letter are made available on the Company's website. At the AGM each separate resolution is voted on. Proxy votes are counted and the level of proxies lodged on each resolution reported after it has been dealt with on a show of hands. All results of voting are published in a RNS announcement and on the Group's website following the meeting.

The Company includes its Audit Committee Report, Remuneration Committee Report and Nominations Committee Report in its Annual Report, including details of the work undertaken during the year. The reports can be found on the Company's website at www.horizondiscoveryplc.com.