ROQUEFORT
THERAPEUTICS PLC

Annual Report & Financial Statements

for the year ended 31 December 2023

Company Registration No. 12819145 (England and Wales)

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Corporate Information

Directors

Stephen West
Trevor Ajanthan (Ajan) Reginald
Prof. Sir Martin Evans
Dr Darrin Disley
Ms Jean Duvall
Dr Simon Sinclair
Dr Michael Stein

Company Secretary

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Chairman's Statement

I am pleased to report Roquefort Therapeutics' audited financial statements and strategic progress to shareholders for the year ended 31 December 2023. During the period the Company continued to progress its corporate strategy, which is to identify the next generation of medicines for the most difficult to treat cancers with a high mortality rate, develop medicines in-house and with academic partners through the pre-clinical phase to clinical trial readiness and IND filing stage before licensing or sale to big pharma.

Diagnostic Licencing Agreement

2023 started with significant momentum, with the Group's Midkine antibody program, targeting metastatic breast cancer and metastatic lung cancer, successfully demonstrating *in vivo* safety in pre-clinical development programs carried out by leading cancer research groups. Notably in February, Roquefort Therapeutics validated Midkine as a target by signing a Licence and Royalty Agreement with Randox Laboratories ("Randox") in relation to the Group's Midkine antibody portfolio. In FY23 the Company received an upfront non-refundable payment of £200,000, with further milestone payments expected in 2024 and royalty payments expected to commence in 2025. Randox is developing a diagnostic to identify patients with cancers that overexpress Midkine which is highly synergistic with Roquefort Therapeutics' development of first-in-class cancer medicines. Roquefort Therapeutics and Randox are also collaborating in research programs to identify new diagnostics for Midkine overexpressed cancers that may be treatable with the Company's Midkine therapeutics.

To help drive drug development programs forward, in March 2023, the Company formed a Scientific Advisory Board, working closely with Chief Scientific Officer Professor Sir Martin Evans. The Scientific Advisory Board is comprised of experienced Professors Jo Martin, Trevor Jones and Armand Keating, who together are a team of researchers, biopharmaceutical innovators and clinicians with an emphasis on linking pre-clinical research, clinical trials, production of medicines and the care of patients. The Company is utilising their drug development expertise to complete pre-clinical development to reach key milestones and realise the value of the IP retained within the Company's portfolio, either via licensing transactions or a clinical program sale.

Pre-clinical Development

The Roquefort Therapeutics portfolio consists of novel patent protected pre-clinical anti-cancer medicines, consisting of five best in class medicines:

- Midkine antibodies with significant *in vivo* efficacy and toxicology studies, and orphan drug indication;
- Midkine RNA oligonucleotide therapeutics with novel anti-cancer gene editing action;
- Midkine mRNA therapeutics targeting solid tumours;
- STAT-6 siRNA therapeutics targeting solid tumours with significant *in vivo* efficacy; and
- MK cell therapy with direct and Natural Killer cell-mediated anti-cancer action.

The Company continued the encouraging pre-clinical development seen in 2022 throughout 2023. In June we completed with our research partners, the Olivia Newton John Cancer Research Institute and Hawkins Laboratory at La Trobe University, Melbourne, the first *in vivo* efficacy results for our anti-Midkine patented antibodies CAB-101 (ROQA2) and CAB-102 (ROQA1). The *in vivo* efficacy study tested the anti-cancer killing ability of CAB-101 and CAB-102 in a validated experimental model of osteosarcoma, a third indication. Treatment with CAB-101 was found to produce a statistically significant reduction in lung metastasis, and CAB-102 was found to reduce proliferation of the primary tumour. Osteosarcoma is our third indication in the anti-Midkine antibody program and our first orphan drug indication.

Osteosarcoma is the Company's first orphan drug indication and reflects the strategic decision to target cancer niches in which there remains a high unmet clinical need, an accelerated development pathway and the potential to offer a best-in-class treatment in a significant market niche. There are commercial benefits to an orphan drug indication such as market exclusivity for 7 years in the USA and up to 10 years in the UK and EU, tax credits for the clinical drug testing cost and fee reductions.

Chairman's Statement

continued

In March 2023 we announced that Roquefort Therapeutics had enhanced the portfolio with the creation of a new novel family of mRNA Therapeutics. This new platform of mRNA therapeutics was developed within budget internally and consists of four mRNA pre-clinical therapeutics targeting Roquefort Therapeutics' novel Midkine target. In June we achieved positive *in vivo* results in our anti-cancer mRNA therapeutic in breast and liver cancer, where the studies demonstrated a statistically significant reduction in both cancer growth and migration. We further consolidated our leadership position in the Midkine field by updating our filed patents to protect the mRNA compositions and methods. The Company is particularly excited about this program because the mRNA cancer market is a highly attractive new field of medicine (~$31 billion, 7.8% CAGR) and is led by Pfizer, Moderna and BioNTech. Roquefort Therapeutics is well positioned in this field, with four mRNA sequences that uniquely target Midkine. The Company completed *in vivo* studies in March 2024 with positive results (refer Post Period End section for further details).

In June 2023, our anti-cancer Midkine RNA oligonucleotide program targeting Midkine expressing cancers showed further pre-clinical progress having produced >90% *in vitro* efficacy in human liver and neuroblastoma cancer cells. The studies were conducted with the Company's strategic research partnerships at the Faculty of Medicine and Health at the University of Sydney and the Immune Oncology Laboratory at the School of Biomedical Sciences, University of New South Wales. The Company believes liver cancer to be an attractive market niche with the global liver cancer drug market estimated at US$2.4 billion in 2022 and is projected to reach US$9.3 billion by 2030, at a CAGR of 18.6% according to the market research firm Research And Markets in February 2023.

The achievements of 2023 have enabled Roquefort Therapeutics to develop a highly synergistic approach to the target, Midkine. Our proprietary combination of RNA oligonucleotides attacks a different Midkine region versus our antibodies and mRNA, and this diversity of targeting regions may be helpful in developing mono or combination therapies going forward, which has potential commercial appeal.

Following the acquisition of Oncogeni in September 2022, which pivoted Roquefort Therapeutics into a material oncology group, the Company acquired two families of innovative cell and RNA oncology medicines, both in pre-clinical development, Mesodermal Killer ("MK") cells and small interfering RNA ("siRNA") therapeutics. Both programs saw progress during 2023.

In August 2023, Roquefort Therapeutics announced the development of new novel siRNA therapeutics and strengthened the IP position with a new patent filing for the novel anti-cancer siRNA therapeutics. Professor Graham Robertson, Vice President of Drug Discovery developed four additional siRNA sequences to complement the existing siRNA portfolio. These sequences are being developed in combination with nano-particle delivery systems to target the hard-to-treat, high mortality solid cancers including colon and breast cancer. In March 2024 we announced that in validated *in vitro* models of colon cancer, results demonstrated efficacy in four new siRNA sequences in reducing STAT-6 expression by 40-50% (refer Post Period End section). The Company is encouraged by the commercial potential of its siRNA targets STAT-6 and SH2, following Sanofi's (NASDAQ: SNY) licencing transaction with Recludix which included a US$125 million upfront payment, and total deal of up to US$ 1.2 billion for a pre-clinical program targeting STAT-6 and SH2. Roquefort Therapeutics is particularly encouraged by this as our siRNA programs are also in pre-clinical development and target STAT-6 and the SH2 domain and have shown significant *in vitro* anti-cancer activity.

The Company announced in November 2023 that its proprietary novel MK cell program reached a significant preclinical milestone during the period. MK cells were tested in combination with Natural Killer cells ("NK cells"). The activation of NK cells produced up to a two-fold increase in cytotoxicity over NK cells alone in three difficult to treat cancers: ovarian cancer, acute myeloid leukaemia and multiple myeloma. The Company believes this demonstration of the activation of NK cells in multiple cancers is a significant milestone because the NK cell activation is a highly attractive modality for large pharmaceutical companies. Recent transactions in this promising market include the $1.4 billion partnership between Sanofi and Innate Pharma announced in December 2022 and >$300 million Gilead and Dragonfly Therapeutics transaction in May 2022 for Dragonfly's proprietary activators of NK cells. The Company's MK cells progressed into further *in vivo* studies in validated models of NK cell activation and cancer cytotoxicity with positive results announced in February 2024 (refer Post Period End section for further details).

Chairman's Statement

continued

Out-Licencing Discussions (Therapeutics)

In line with our strategy, the Company commenced confidential out-licencing discussions with potential partners in 2023, including large pharmaceuticals companies and a specialist private equity fund. The programs and jurisdictions being negotiated include the Midkine antibodies and STAT-6 siRNA programs, and relate to licences for the US, Europe and Japan markets.

Post Period End

During the first quarter of 2024 the Company made further progress across its pre-clinical drug development program with positive results reported for the MK cell therapy program (February 2024) and the Midkine mRNA and STAT-6 siRNA programs (March 2024):

- MK Cell Therapy: the Company continued studies in validated models of NK cell activation and cytotoxicity and demonstrated an anti-cancer effect in leukaemia. This efficacy was superior to NK cells alone confirming that the MK cells activate NK cells. NK cell activation is a new field with high commercial potential in which large pharmaceutical partners completed significant deals in 2022 and 2023;
- Midkine mRNA: the latest experiments combined the mRNA with a LNP delivery system in a validated *in vivo* model of liver cancer and demonstrated the safety and efficacy in reducing functional Midkine of the novel mRNA LNP combination. This represents a significant milestone in both the discovery of a novel mRNA therapeutic and in the safe combination with an LNP to allow for the delivery of the mRNA as an anti-cancer medicine; and
- STAT-6 siRNA: the Company continued the development of its novel STAT-6 medicines in validated *in vitro* models of colon cancer with the results demonstrating efficacy of the four new siRNA sequences in reducing STAT-6 expression by 40-50%.

The Company continued to engage in confidential out-licencing discussions with potential partners and the Company will make an announcement should a binding agreement be reached with one or more partners.

Strategy & Outlook

Through the material strategic progress delivered over the course of FY2023, Roquefort Therapeutics is looking to build on its successful pre-clinical development of its five pre-clinical programs to deliver at least one out-licencing transaction during 2024. We believe that during 2023 we have delivered on our strategy to select and acquire novel medicines and to develop them to reach significant milestones, and to a level that attracts interest from potential licencing partners.

Roquefort Therapeutics is well positioned in this market to create shareholder value by securing a licencing deal, with newly validated targets (like STAT-6 and Midkine) novel modalities (like siRNA, mRNA and cell therapy) garnering high deal values because they offer the potential to create first-in-class medicines which have a greater likelihood of generating blockbuster (multi-billion dollar) revenues. Our strategy fits this paradigm, whereby we create significant value by discovering these first-in-class medicines before the market recognises them and enhance their value with targeted R&D to optimise the appeal to Big Pharma. Our portfolio has interest from Big Pharma and private equity, and in line with our strategy, we remain in discussions with these potential partners.

The Chairman's Statement should be read as part of the Strategic Report.

Stephen West,
Executive Chairman
25 April 2024

Board of Directors and Senior Management

Board of Directors

Stephen West
Executive Chairman

Stephen is a Fellow Chartered Accountant with over 30 years of financial and corporate experience gained in public practice, the resource sector, life sciences and investment banking. Stephen has a proven track record in working with growth companies with extensive experience in IPOs, secondary listings, corporate finance, fundraising and investor relations. Stephen is currently a non-executive director of EnergyPathways plc (AIM:EPP).

Ajan Reginald
Chief Executive Officer

Ajan is an experienced biotechnology CEO with a track record in drug development, biotech transactions and commercialisation. Over 20 years, he has served as the Global Head of Emerging Technologies for Roche Group (SWX:ROG), Chief Operating Officer and Chief Technology Officer of Novacyt S.A (LON:NCYT) and CEO of Celixir Ltd.

With Prof. Sir Martin Evans, Ajan founded Celixir, and developed a novel cardiac cellular medicine which completed pre-clinical development and won FDA, MHRA and EU regulatory trial approvals. Celixir completed a licensing for the Japan market only with Daiichi Sankyo, a Japanese Big Pharma company which included a £12.5 million upfront payment and a £5 million equity investment which valued Celixir at ~£220M.

Ajan is an alumni of Harvard Business School (AMP) and is recipient of the Fulbright Scholarship. He is also a graduate of the University of Oxford (MSc Experimental Therapeutics), Kellogg Business School (MBA) Northwestern University and University of London (BDS). He has represented England at the Hockey Masters World Cup and European Championships.

Professor Sir Martin Evans, Nobel Laureate
Chief Scientific Officer

Sir Martin was the first scientist to identify embryonic stem cells, which can be adapted for a wide variety of medical purposes. His discoveries are now being applied in virtually all areas of biomedicine - from basic research to the development of new therapies. In 2007, he was awarded the Nobel Prize for Medicine, the most prestigious honour in world science, for these "ground-breaking discoveries concerning embryonic stem cells and DNA recombination in mammals."

Sir Martin has published more than 120 scientific papers. He was elected a Fellow of the Royal Society in 1993 and is a founder Fellow of the Academy of Medical Sciences. He was awarded the Walter Cottman Fellowship and the William Bate Hardy Prizes in 2003 and in 2001 was awarded the Albert Lasker Medal for Basic Medical Research in the US. In 2002 he was awarded an honorary doctorate from Mount Sinai School of Medicine in New York, regarded as one of the world's foremost centres for medical and scientific training. He has also received honorary doctorate awards from the University of Bath, University of Buckinghamshire, University College London, University of Wales and the University of Athens. Sir Martin gained his BA in Biochemistry from Christ College, University of Cambridge in 1963. He received an MA in 1966 and a DSc in 1966. In 1969 he was awarded a PhD from University College, London. He joined the Cardiff University School of Biosciences in 1999. He was knighted in 2004 for his services to medical science and in 2009 was awarded the Gold Medal of the Royal Society of Medicine in recognition of his valuable contribution to medicine. In 2009 he also received the Baly Medal from the Royal College of Physicians and the Copley Medal, the Royal Society's oldest award, joining an eminent list of previous recipients including Albert Einstein.

Board of Directors and Senior Management

continued

Dr Darrin Disley, OBE
Non-Executive Director

Darrin is a renowned scientist, entrepreneur, angel investor and enterprise champion who has started, grown, or invested in over 40 start-up life science, technology and social enterprises, raising US$600 million in business financing and closing US$700 million in commercial deals. He was CEO of Horizon Discovery Group plc for 11 years, during which he led the company from start-up through a US$113 million IPO, and rapid scale-up powered by multiple acquisitions of US peer companies to become a global market leader in gene editing and gene modulation technologies. He was awarded a lifetime Queen's Award for Enterprise Promotion in 2016 for his work in promoting enterprise across the UK and appointed OBE in 2018 for his services to business and enterprise in the healthcare sector.

Ms Jean Duvall
Non-Executive Director

Jean is highly accomplished in the biotech and pharma sector, with over 25 years experience in executive roles in the industry. During this time, Jean acted for Ferring Pharmaceuticals, as one of the Executive Board Members who built the company from a US$700 million to US$2 billion in revenue. Jean has a significant track record in corporate development having led multiple successful M&A, divestment and licensing deals throughout her career. She previously had the role of General Counsel at Elan Corporation and was legal lead, negotiating the divestment of over $2bn in assets. Additionally, she has co-founded and led biopharma start-ups including Trizell and Amzell, resulting in multiple products having successful phase 2 and 3 clinical studies. Jean is currently CEO and co-founder of ReproNovo SA and a non-executive director of Ondine Biomedical Inc. (AIM:OBI).

Dr Simon Sinclair
Non-Executive Director

Simon is a senior executive physician scientist with over 20 years' pharma, medtech and consumer healthcare industry experience. He is the former Chief Safety Officer at Reckitt Benckiser and was previously at Johnson and Johnson Medical Devices, first as International Clinical Director, then leading Medical Affairs for its EMEA region. Prior to this, Simon led translational medicine efforts and the early clinical development at Merck and Co (MSD) in the USA. Originally trained as an ophthalmologist, Simon holds a medical degree and a PhD in neural transplantation from the University of Cambridge. Simon is currently a non-executive director of Ondine Biomedical Inc. (AIM:OBI) and a non-executive director at Renovos Biologics Limited.

Dr Michael Stein
Non-Executive Director

Michael is a business leader and strategic adviser with C-suite experience in healthcare. Michael was the founding CEO of Valo Therapeutics and of OxStem Ltd. In addition, Michael has served as founding CEO for Doctor Care Anywhere, acquired by Synergix in 2015. In 2001, he co-founded the Map of Medicine Ltd (the Map) with University College London. As founding CEO (and later CMO), the Map was nationally licensed across NHS England (2005-15) and acquired by Hearst Business Media (HBM) in 2008, after which Michael transitioned to executive vice-president of healthcare innovation. Michael graduated as a medical doctor (Honours) and biochemist (First Class Honours) from the University of Cape Town (1988) and from the University of Oxford (Rhodes Scholar) with a doctorate in Physiological Sciences (Immunology).

Board of Directors and Senior Management

continued

Senior Management

Dr Graham Robertson
Vice President – Drug Discovery

Dr Robertson gained his PhD in molecular virology from Macquarie University, Australia before undertaking Post-Doctoral training in gene regulation and nuclear architecture at Oxford. He returned to Australia as a Post-Doc in the laboratory of Prof. Emma Whitelaw at University of Sydney where he set up a transgenic mouse facility and discovered repeat-induced silencing as an epigenetic process on mammalian transgenes. Dr Robertson then moved to Westmead Hospital Millennium Institute where he pursued studies on the fibrotic liver disease NASH and the impact of inducible xenobiotic/drug interactions on drug clearance pathways. A component of this work involved creating a transgenic mouse model for studying gene regulation of human CYP3A4, the main pathway for drug metabolism. The model was subsequently commercially leveraged as a screening tool for drug development. At the ANZAC and Garvan Institutes in Sydney (2004-2014), Dr Robertson explored the impact of cancer-associated inflammation in repressing drug clearance leading to excessive toxicity. Dr Robertson also explored the link between chronic inflammation and disrupted energy metabolism as the basis for cancer cachexia. A key discovery from this work was the activation of thermogenesis in white & brown fat, linked to body wasting. These findings were published in Cancer Research and Cell Metabolism where it was ranked amongst the 10th highest papers in the latter journal. He has published ~60 papers with >3,000 citations.

Dr Sabena Sultan
Vice President – Drug Development

Dr Sultan studied for her PhD in Cardiovascular Biology at Imperial College London and undertook postdoctoral research at the Rayne Institute, University College London and worked within the Cardiovascular Department at Kings College London as a British Heart Foundation Principle Grant Investigator. Dr Sultan was previously Global Head of Research at Cell Therapy Limited, working to bring cellular therapies to clinic.

Directors' Report

The Directors present their report with the audited financial statements of Roquefort Therapeutics plc ("the Company") and its subsidiaries Lyramid Pty Limited ("Lyramid"), Oncogeni Ltd ("Oncogeni") and Tumorkine Pty Limited ("Tumorkine") (together "the Group") for the year ended 31 December 2023. A commentary on the business for the year is included in the Chairman's Statement on page 3. A review of the business is also included in the Strategic Report on pages 13 to 30.

The Company's Ordinary Shares are listed on the London Stock Exchange, on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Directors

The Directors of the Company during the year and their beneficial interest in the Ordinary shares of the Company at 31 December 2023 were as follows:

Director	Position	Appointed	Ordinary shares	Warrants
Stephen West[1]	Executive Chairman	17/08/2020	5,616,501	7,000,000
Ajan Reginald	Chief Executive Officer	16/09/2022	11,663,051	–
Sir Martin Evans	Chief Scientific Officer	16/09/2022	–	–
Dr Michael Stein	Non-Executive Director	22/03/2021	–	2,000,000
Ms Jean Duvall	Non-Executive Director	05/04/2022	–	300,000
Dr Simon Sinclair[2]	Non-Executive Director	20/04/2022	96,336	300,000
Dr Darrin Disley	Non-Executive Director	16/09/2022	1,495,901	–

[1] 4,628,485 Ordinary shares and 7,000,000 warrants held by Cresthaven Investments Pty Ltd ATF The Bellini Trust (a Company related to Stephen West);
[2] 300,000 warrants held by Livingstone Investment Holdings Ltd (a Company related to Simon Sinclair).

Qualifying Third Party Indemnity Provision

At the date of this report, the Company has a third-party indemnity policy in place for all Directors.

Substantial shareholders

As at 31 December 2023, the total number of issued Ordinary Shares with voting rights in the Company was 129,149,998. Details of the Company's capital structure and voting rights are set out in note 19 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report.

Party Name	Number of Ordinary Shares	% of Share Capital
Ajan Reginald	11,663,051	9.00%
Abdelatif Lachab	7,750,000	6.00%
Jane Whiddon[1]	7,300,000	5.65%
M Sheikh	5,744,870	4.45%
Stephen West[2]	5,616,501	4.35%
Provelmare Holding Ltd	5,000,000	3.87%
Z Sheikh	4,018,910	3.11%
M Rollins	4,000,000	3.10%
K Fallon	3,905,215	3.02%

[1] 2,500,000 shares held by MIMO Strategies Pty Ltd (ATF the MIMO Trust); 4,100,000 shares held by 6466 Investments Pty Ltd; 700,000 shares held by Nautical Holdings WA Pty Ltd – all of which are entities controlled by J Whiddon
[2] 4,628,485 Ordinary shares and 7,000,000 warrants held by Cresthaven Investments Pty Ltd ATF The Bellini Trust (a Company related to Stephen West).

Directors' Report

continued

Financial instruments

Details of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the accounting policies and note 22 of the financial statements.

Greenhouse Gas (GHG) Emissions

The Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, due to its operational footprint being limited to a laboratory leased from September 2022 to 31 December 2023, consuming less than 40,000 kWh of energy, the Group is currently exempt from GHG reporting requirements.

In the future, the Group will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

TCFD Disclosure

The Group operated a leased lab facility from October 2022 until the agreement expired in December 2023. From this point the Group outsourced laboratory work and does not intend to lease another facility in 2024. The Group will therefore begin to consider its impact on the environment and the risks it faces from climate change, for the first time during 2024 and expects to develop its sustainability plans over a 5 year period, commensurate with the size of its operations. Climate change was not considered a principal risk or uncertainty for the year ended 31 December 2023.

In line with the requirements of the Financial Conduct Authority's Listing Rule 14.3.27R, and for the above reasons, we note that we have not made the disclosures, in respect of the financial year ended 31 December 2023, in line with the recommendations and recommended disclosures of the TCFD.

Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2023.

Research and development, Future developments and events subsequent to the year end

Further details of the Company's research and development, future developments and events subsequent to the year-end are set out in the Strategic Report on pages 13 to 20. Research and development costs incurred for the year ended 31 December 2023 were £620,159 (2022: £319,315).

Corporate Governance

The Governance Report forms part of the Director's Report and is disclosed on pages 21 to 24.

Going Concern

The Directors have prepared financial forecasts to estimate the likely cash requirements of the Group over the period to 30 June 2025, given its stage of development and lack of recurring revenues. In preparing these financial forecasts, the Directors have made certain assumptions with regards to the timing and amount of future expenditure over which they have control. The Directors have considered the sensitivity of the financial forecasts to changes in key assumptions, including, among others, potential cost overruns within committed spend, ability to raise new funding and changes in exchange rates.

The Group's available resources are sufficient to cover the Group's plans to complete existing pre-clinical development activities during 2024, however, they are not sufficient to cover existing committed costs and the costs of planned activities for at least 12 months from the date of signing these consolidated and company financial statements.

Directors' Report

continued

The Directors plan to raise further funds during 2024 (either through licencing deals and/or other financing arrangements) and have reasonable expectations that sufficient cash will be raised (either through licencing deals and/or other financing arrangements) to fund the planned operations of the Group for a period of at least 12 months from the date of approval of these financial statements. The funding requirement indicates that a material uncertainty exists which may cast significant doubt over the Group's and Company's ability to continue as a going concern, and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

After due consideration of these forecasts, current cash resources, including the sensitivity of key inputs and success in raising new funding the Directors consider that the Group will have adequate financial resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date of this report) and, for this reason, the financial statements have been prepared on a going concern basis. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Principal Activities

The Company's principal activity in the reporting period was the pre-clinical development of next generation medicines focused on hard-to treat cancers.

Auditors

On 23 November 2023, BDO LLP resigned as the Group's auditors and confirmed that there were no circumstances connected with their resignation which they considered should be brought to the attention of the Company's members or creditors in accordance with Section 519 of the Companies Act 2006.

On 23 November 2023 it was announced that the Company had appointed RPG Crouch Chapman LLP as its auditors with immediate effect. The appointment of RPG Crouch Chapman LLP will be subject to approval by shareholders at the next Annual General Meeting of the Company.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report alongside the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK adopted International Accounting Standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a Standard Listing.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' Report

continued

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Remuneration Committee Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

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

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 6 to 7 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group and Company; and
- the Annual Report and financial statements, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This directors' report was approved by the Board of Directors on 25 April 2024 and is signed on its behalf by:

Stephen West,
Executive Chairman

The Directors present the Strategic Report of the Company and the Group for the year ended 31 December 2023.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made in the year and post year end are set out below:

Significant events / decisions	Key s172 matter(s) affected	Actions and Consequences
Entering into a licence agreement with Randox	Shareholders and Business Relationships	The Group entered into a material sales contract with Randox to licence out its technology for diagnostics. The agreement is intended to generate another revenue stream from diagnostics for the Group.
Portfolio optimisation	Shareholders and Business Relationships	The Group constantly monitors the commercial viability of its programmes to ensure that the optimum mix is carried forward.

Interests of Employees
The Company's Governance Report at pages 21 to 24 of this Annual Report sets out (under board responsibilities) the processes in place to safeguard the interests of employees.

Foster business relationships with suppliers, joint venture partners and others
Potential suppliers and joint venture partners are considered in the light of their suitability to comply with the Company's policies.

Impact of operations on the community and environment
The Company will continue to monitor the future impact of any new potential research facilities on the community and environment.

Maintain a reputation for high standards of business conduct
The Governance Report at pages 21 to 24 sets out the Board and Committee structures and Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Company's policies and procedures.

Act fairly between members of the Company
The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regulatory news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

Review of Business in the Year

Operational Review
The Company's principal activity is set out in the Directors' Report on page 11.

During the year, the Company continued to progress its novel patent protected pre-clinical anti-cancer medicines through a combination of partnerships with leading academic cancer research centres and at the Company's state of the art laboratory in Stratford-upon-Avon.

In February 2023, Roquefort Therapeutics validated Midkine as a target by signing a Licence and Royalty Agreement with Randox Laboratories ("Randox") in relation to the Group's Midkine antibody portfolio. In FY23 the Company received an upfront payment of £200,000, with further milestone payments expected in 2024 and royalty payments expected to commence in 2025. Randox is developing a diagnostic to identify patients with cancers that overexpress Midkine which is highly synergistic with Roquefort Therapeutics' development of first-in-class cancer medicines.

During 2023 ,the Group completed pre-clinical development programs with the following leading academic cancer research centres:

- Olivia Newton-John Cancer Research Institute, La Trobe University, Melbourne
    - Breast cancer metastasis antibody programs: *in vivo* safety was successfully demonstrated in January 2023.
- Lowy Cancer Research Centre, University of New South Wales
    - Liver and Colorectal cancer Midkine RNA and STAT-6 siRNA programs: the *in vitro* Midkine RNA oligonucleotide study confirmed in June 2023 that the Company's novel anti-sense oligonucleotides produced a novel non-functional Midkine protein that has been shown to produce >90% *in vitro* efficacy (at the mRNA level) in human liver cancer and neuroblastoma cancer cells.
- Hawkins Laboratory Biochemistry and Genetics, La Trobe University, Melbourne
    - Lung cancer metastasis antibody programs: *in vivo* safety was successfully demonstrated in January 2023, and *in vivo* efficacy results were released in June 2023 which showed a statistically significant reduction in lung metastasis, and a reduced proliferation (growth rate) of the primary tumour. The efficacy study was carried out in a validated experimental model of osteosarcoma.
- School of Medical Sciences, University of Sydney
    - Midkine RNA programs: in June 2023 a proprietary combination of the Company's Midkine RNA oligonucleotides demonstrated *in vitro* efficacy in hepatocellular carcinoma (HCC) liver cancer cells producing a significant reduction in full length Midkine and generated a novel non-functional Midkine.

In March 2023 the Company announced the successful development of a new novel platform of anti-cancer mRNA therapeutics, being the Company's fifth program and the third in its Midkine family. In June 2023 the Company successfully completed *in vitro* studies for the anti-cancer mRNA therapeutic in breast and liver cancer. The studies demonstrated a statistically significant reduction in both proliferation (cancer growth) and migration.

In August 2023 the Company announced the successful development of new siRNA sequences and new patent filing for its family of novel anti-cancer siRNA therapeutics. The new siRNA sequences expanded the Company's portfolio of siRNA medicines that attack the targets STAT-6 (Signal Transducer and Activator of Transcription) and its SH2 (Src-homology-2) domain.

During the year the Company tested its MK cells in combination with natural killer ("NK") cells with positive results, announced in November 2023, showing: (1) the activation of NK cells; and (2) that this activation produced up to a two-fold increase in cytotoxicity over NK cells alone in three different difficult to treat cancers, which was statistically significant.

Events since the year end

There have been no significant events subsequent to 31 December 2023.

Financial review

Results for the year to 31 December 2023

The Consolidated Statement of Comprehensive Income for the year shows a loss of £1,744,540 (2022: loss of £1,615,417) and the Consolidated Statement of Financial Position at 31 December 2023 shows net equity of £5,499,543 (2022: £7,206,636) for the Group.

The total comprehensive loss for the year of £1,717,495 (2022: loss of £1,630,406) occurred as a result of on-going research and development costs and administrative expenses required to operate the Company.

The Group generated £200,000 (2022: £0) in revenue from an exclusive licence and royalty agreement, for its technology to be used in medical diagnostics. The revenue was recorded under IFRS 15 in which Group recognised milestone revenue upon the completion of certain milestones. The initial amount represents the £200,000 non-refundable deposit with the remainder of the revenue to be received subject to certain commercial and technical milestones.

Administrative expenses increased to £1,499,193 (2022: £1,306,561) mainly due to Directors' and employee costs increasing to £1,087,947 (2022: £573,538), consulting and professional fees increasing to £217,876 (2022: £209,768) reflecting an increase in staff and operational activities during the year. Research and development expenditure increased to £620,159 (2022: £319,315) as the Group carried out external studies with the University of Western Sydney for the Midkine RNA oligonucleotide pre-clinical program in the first half of the year and commenced internal and external studies on the other programs later in the year.

Cash flow

Net cash outflow for the Group for 2023 was £1,786,164 (2022: £1,421,258 inflow).

Net cash used in investing activities for 2023 decreased to £52,573 (2022: £103,478). In 2023 this activity was for the purchase of fixed assets, whereas the 2022 figure relates to the acquisition of Oncogeni Ltd. There were no business acquisitions in the current year.

Net cash used in financing activities for 2023 was £58 (2022: £3,121,202 inflow). The 2022 figure reflects the receipt of proceeds from an equity placement undertaken in December 2022 for the acquisition of Oncogeni Ltd. There were no fundraising events in the current year.

Closing cash

As at 31 December 2023, the Group held £537,322 (2022: £2,322,974) of cash.

Key Performance Indicators

The Company's non-financial KPIs are positive R&D results within the existing pre-clinical portfolio, the development of new novel anti-cancer therapeutics, the registration of new patents to protect the clinical advancements in anti-cancer therapeutics being achieved during the pre-clinical stages of drug discovery and entering into licencing deals with other companies.

The Company's financial KPIs are the Company's cash runway and budgeted R&D spend compared to actuals.

Strategic Report

continued

Position of Company's Business

At the year end

At the year end the Company's Statement of Financial Position shows net assets totalling £5,981,627 (2022: £7,481,379). It is likely the Company will need to raise further funds (either through licencing deals and/or other financing arrangements) to cover its plans to complete existing pre-clinical development activities and complete licencing negotiations. As at reporting date the Directors are confident in their ability to raise further funds either through licencing deals and/or other financing arrangements.

Environmental matters

The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations and there have been no instances of non-compliance in respect of environmental matters.

Employee information

As at the date of this report, the Company has an Executive Chairman, two Executive Directors and four Non-Executive Directors. The Company is committed to gender equality and, as future roles are identified, a wide-ranging search would be completed with the most appropriate individual being appointed irrespective of gender.

A split of our employees and directors by gender at the date of this report, is shown below:

	Male	Female
Directors	6	1
Employees	1	1
Total employees (including directors)	**7**	**2**

Social/Community/Human rights matters

The Company ensures that employment practices take into account the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet all requirements.

Anti-corruption and anti-bribery policy

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy.

Principal Risks and Uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

Issue	Risk/Uncertainty	Mitigation
The Group is not breakeven and there is no guarantee that it will generate significant profits in the near future	The generation of revenues is difficult to predict and there is no guarantee that the Group will generate significant revenues in the foreseeable future. The Group will face risks frequently encountered by pre-revenue businesses looking to bring new products to the market. There is also no guarantee that the intellectual property held will ultimately result in a commercially viable product. It is also possible that technical and/or regulatory hurdles could lengthen the time required for the delivery of such a product. The Group's future growth will also depend on its ability to secure commercialisation partnerships on appropriate terms, to manage growth and to expand and improve operational, financial and management information, quality control systems and its commercialisation function on a timely basis, whilst at the same time maintaining effective cost controls.	The CEO actively manages the commercial activities of the Group as it develops. The CEO and the Directors oversee the progress of the development of the Group's research programs and associated technologies and ensure funding is in place to support the necessary trials and further development steps as these come on stream.
Research and development risks carry technical risks, including the programs undertaken by the Group and there is no guarantee that these technical risks can be effectively overcome, and a successful, approved product can be developed	All therapeutic research and development programs carry technical risks, including the programs undertaken by the Group. These risks include: those associated with delays in development of effective and potent drugs; failure of delivery by third party suppliers of research services or materials essential to the programs; and outcomes of clinical testing. There is no guarantee that these technical risks can be effectively overcome, and a successful, approved product can be developed. Furthermore, the Group is pursuing relatively new drug classes. Whilst several examples of approved drugs now exist in these classes, as yet no such drug has been developed for the Group's targets. There is a risk that these novel classes of drugs may not be an effective way of modulating the target's expression to exert appropriate clinical benefit in the target conditions.	The Directors engage in continuous dialogue with the CEO and senior scientific staff to critically review the technical risks. The Board has established a Scientific Advisory Board to support them in this review process.

Strategic Report

continued

Issue	Risk/Uncertainty	Mitigation
Biotechnology programs are subject to the most stringent regulatory oversight by various government agencies and ethics committees and there is no guarantee that the proposed development work will result in an efficacious treatment, or even if it does, that the drug will be approved by regulatory authorities	Key regulatory focus areas are safety and efficacy, and future clinical trials conducted by the Group may be suspended or abandoned entirely in the event that regulatory agencies consider that continuation of these trials could expose participants to undue risks. Before obtaining regulatory approval of a product for a target indication, substantial evidence must be gathered in controlled clinical trials that the product candidate is safe and effective for use for that clinical setting. Similar approvals must be obtained from the relevant regulatory authorities in each country in which the product may be made available, including Australia, US and the EU.	The Scientific Advisory Board will be critical in supporting the Board in understanding and mitigating these risks. Even so, a sudden unforeseen change in the regulations could have a material adverse impact on the development program. The Group cannot guarantee that the proposed development work will result in an efficacious treatment, or even if it does, that the drug will be approved by regulatory authorities.
Even where the Group is successful in terms of technical and regulatory approvals, there is no guarantee it will be successful in securing an appropriate licensing deal or in achieving alternative means of commercialising its drugs	There may be other companies developing effective treatments for the same conditions as the Group, which could make commercialising any drug more difficult. The research and development programs planned are expected to take several years before any drug might be ready and the market for such drugs may contract significantly or become too competitive for an economically viable drug launch. In addition, even post regulatory approval, any drug may need to be withdrawn from the market, as well as expose the Group to claims for compensation as a result of serious adverse events associated with the treatment. Historically, very few drugs make it from discovery to regulatory approval and commercialisation.	The CEO and certain Board members have extensive experience in developing products to pre-IND and completing licencing deals. The Board is in continuous dialogue with the CEO regarding ongoing licencing discussions.

Strategic Report

continued

Issue	Risk/Uncertainty	Mitigation
Existing patents and licences are subject to the terms and conditions of the relevant licence agreement which could be terminated for non-compliance with the terms of such licence agreement	The Group's subsidiary Lyramid Pty Ltd operates its Midkine antibody research and development programs under a worldwide, licence agreement with Anagenics Ltd, the owner of the Midkine patents. Similarly, the Group's subsidiary Oncogeni Ltd operates its MK Cell and siRNA programs under worldwide licencing agreements with Cell Therapy Limited and Sirna Limited respectively. Whilst the Group is currently compliant, there is a risk that the rights to these patents, as defined by the relevant licence agreement, will be forfeited by virtue of either party failing to meet licence conditions.	The CEO has a good understanding of the details of the licence agreements and the Group's obligations under them. Should any areas of concern arise, legal counsel will be sought before further steps are taken.
The Group's ability to compete will depend in part, upon the successful protection of its intellectual property, in particular its patents and know-how	Filing, prosecuting and defending patents in all countries throughout the world would be prohibitively expensive. It is possible that competitors will use the technologies in jurisdictions where the Group has not registered patents.	The Group seeks to protect its intellectual property through the filing of patent applications, as well as robust confidentiality obligations on its employees. The Board intends to defend the Group's intellectual property vigorously, where necessary through litigation and other means.
The successful operation of the Group will depend partly upon the performance and expertise of its current and future management and employees	The loss of the services of certain of these members of the Group's key management, including Ajan Reginald, the CEO, or the inability to identify, attract and retain a sufficient number of suitably skilled and qualified employees may have a material adverse effect on the Group. Any future expansion of the Group may require considerable management time which may in turn inhibit management's ability to conduct the day to day business of the Group.	The CEO and Executive Chairman hold shares in the Company representing 9% and 4.3% respectively of the issued capital. In addition, the Group offers incentives to Directors and employees through share warrants, which makes them linked to the long-term success of the business.
The further operations of the Group will depend on its ability to raise further funds through either equity markets or licence revenue deals	Pre-revenue companies are dependent on their ability to raise additional funds or generate profits in the future to continue operations.	The CEO and Chairman have extensive experience in both the capital markets and Bio-technology sector and are confident in their abilities to raise additional fundings or revenue.

Composition of the Board

A full analysis of the Board, its function, composition and policies, is included in the Governance Report.

Capital Structure

The Company's capital consists of ordinary shares which rank *pari passu* in all respects which are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, amend the Company's Articles of Association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Approved by the Board on 25 April 2024

Stephen West,
Executive Chairman

Governance Report

Introduction

The Directors acknowledge the importance of high standards of corporate governance and endeavours, given the Company's size and the constitution of the Board, to comply with the principles set out in the QCA Corporate Governance Code that are relevant to the Group. The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies. The Group will adopt where applicable the updated QCA principles for the year ended 31 December 2024.

Compliance with the QCA Code

Set out below are the Company's corporate governance practices for the year ended 31 December 2023.

Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board is responsible for the determination of the investment decisions of the Company and for its overall supervision via the investment policy and the objectives that it has set out. At the date of this report, the Board comprises seven Directors, three of whom are Executive Directors and four are Non-Executive Directors, reflecting a blend of different experiences and backgrounds.

The QCA Code states that a company should have at least two independent non-executive directors. The Company had four independent non-executive directors active during the year being Dr Michael Stein, Jean Duvall, Dr Simon Sinclair and Dr Darrin Disley. At any one time a minimum of four of these were in office.

The Board believes that its composition brings a desirable range of skills and experience in light of the Company's challenges and opportunities, while at the same time ensuring that no individual (or a small group of individuals) can dominate the Board's decision making. The Company will appraise the structure of the Board on an ongoing basis.

All new Directors received an informal induction as soon as practical on joining the Board. No formal induction process exists for new Directors, given the size of the Company, but the Chairman ensures that each individual is given a tailored introduction to the Company and fully understands the requirements of the role.

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

The Board intends to meet formally at least six times each year to review, formulate and approve the Group's strategy, budgets, and corporate actions and oversee the Group's progress towards its goals, and to ensure the Directors maintain overall control and supervision of the Company's affairs.

Attendance at meetings in the year:

Member	Position	Meetings attended
Stephen West	Executive Chairman	6 of 6
Ajan Reginald	Chief Executive Officer	6 of 6
Sir Martin Evans	Chief Scientific Officer	6 of 6
Dr Michael Stein	Non-Executive Director	4 of 6
Ms Jean Duvall	Non-Executive Director	6 of 6
Dr Simon Sinclair	Non-Executive Director	6 of 6
Dr Darrin Disley	Non-Executive Director	6 of 6

The Board is pleased with the high level of attendance and participation of Directors at Board meetings.

At each Board meeting the Executive Chairman, Stephen West, proposes and seeks agreement to the Board Agenda and ensures adequate time for discussion.

Governance Report

continued

The Board maintains regular contact with all its service providers and are kept fully informed of investment and financial controls and any other matters that should be brought to the attention of the Directors. The Directors also have access where necessary to independent professional advice at the expense of the Company.

Audit Committee

The Company has established an Audit Committee with delegated duties and responsibilities.

The Audit Committee has the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets not less than three times in each financial year and has unrestricted access to the Group's external auditors. During the year the Audit Committee comprised Jean Duvall (as chair) and Dr Michael Stein; however, on 23 January 2024 Dr Michael Stein resigned and Dr Simon Sinclair was appointed to the Audit Committee. Accordingly, as at the date of this report, the Audit Committee comprises Jean Duvall (as chair) and Dr Simon Sinclair. All members of the Audit Committee are non-executive directors.

The Audit Committee meets with the auditors at least twice a year and more frequently if required.

Terms of reference of the Audit Committee will be made available upon written request.

The Audit Committee report is included on pages 31 to 32.

Remuneration Committee

The Company has established a Remuneration Committee to assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the policy on remuneration.

The Remuneration Committee reviews the performance of executive directors, chairman of the Board and senior management of the Group and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets as and when necessary, but at least twice each year. In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance. The members of the Remuneration Committee include two Non-Executive Directors.

The Remuneration Committee comprised Dr Darrin Disley (as chair) and Jean Duvall.

Formal terms of reference for the Remuneration Committee will be made available upon written request.

The Remuneration Committee report is included on pages 25 to 30.

Nomination Committee

The Company has established a Nomination Committee. The Nomination Committee leads the process for board appointments and makes recommendations to the Board. The Nomination Committee evaluates the balance of skills, experience, independence and knowledge on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Nomination Committee meets as and when necessary, but at least twice each year. During the year the Nomination Committee comprised Dr Michael Stein (as chair) and Dr Simon Sinclair; however, on 21 March 2024 Dr Michael Stein resigned and Dr Darrin Disley was appointed as Chair to the Nomination Committee. Accordingly, as at the date of this report, the Nomination Committee comprises Dr Darrin Disley (as chair) and Dr Simon Sinclair.

Terms of reference for the Nomination Committee will be made available upon written request.

The Nomination Committee report is included on page 33.

Governance Report

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Market Abuse Regulations

The Company has adopted a share dealing policy, in conformity with the requirements of the Listing Rules and the Market Abuse Regulation, regulating trading and confidentiality of inside information for persons discharging managerial responsibility ("PDMRs") and persons closely associated with them which contains provisions appropriate for a company whose shares are admitted to trading on the Official List. The Company takes all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of its share dealing policy.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

All Board appointments have been made after consultation and detailed due diligence is carried out on all new potential board candidates. The Board will consider using external advisers to review and evaluate the effectiveness of the Board and Directors in future to supplement its own internal evaluation processes.

All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

The Group's Articles require that all Directors are submitted for election at the AGM following their first appointment to the Board, and Directors for whom it is their third annual general meeting during their appointment, are subject to retirement by rotation on an annual basis to refresh the Board, irrespective of performance.

The terms and conditions of appointment of Non-Executive Directors will be made available upon written request.

Seek to understand and meet shareholder needs and expectations

The Company is committed to engaging and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. All Board members have responsibility for shareholder liaison, but queries are primarily delegated to the Company's advisors in the first instance or the Company's Executive Chairman. Details of the Company's advisors can be found on the Company's website.

Copies of the annual and interim reports will be made available to all shareholders and copies may be downloaded from the Company's website.

Other Company information for shareholders is also available on the website.

The Company also engages with shareholders at its AGM each year which gives investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action if and when necessary. The results of the AGM are subsequently announced via RNS and published on the Company's website.

Establish a strategy and business model which promote long-term value for shareholders

The Company is developing pre-clinical next generation medicines focused on hard-to-treat cancers, with the aim of generating optimal returns for our shareholders.

The investment strategy is to provide shareholders with an attractive total return achieved primarily through capital appreciation.

Governance Report

continued

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is aware that engaging with Roquefort Therapeutics' stakeholders strengthens relationships, assists the Board in making better business decisions and ultimately promotes the long-term success of Roquefort Therapeutics plc. The Group's stakeholders include shareholders, and other service providers, suppliers, auditors, lenders, regulators, industry bodies and the surrounding communities of where its future investments will be located. The Board as a whole are responsible for reviewing and monitoring the parties contracted to the Company, including their service terms and conditions.

The Board is regularly updated on wider stakeholder views and issues concerning the portfolio both formally at Board meetings and informally through ad hoc updates.

This Governance Report was approved by the Board and signed on its behalf by:

Stephen West
Executive Chairman

25 April 2024

Remuneration Committee Report

The Remuneration Committee presents its report for the year ended 31 December 2023.

Membership of the Remuneration Committee

During the year the Remuneration Committee consisted of Dr Darrin Disley as Chair and Jean Duvall.

During the year ended 31 December 2023, no formal meetings of the Remuneration Committee were held.

Subject to what appears below, no other third parties have provided advice that materially assisted the Remuneration Committee during the year.

The items included in this report are unaudited unless otherwise stated.

Remuneration Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Board and advisors;
- The Remuneration Committee's role is advisory in nature, and it makes recommendations to the Board on the overall remuneration packages;
- The Remuneration Committee, when considering the remuneration packages of the Company's Board, will review the policies of comparable companies in the industry.

Report Approval

Resolution to approve this report will be proposed at the Annual General Meeting ("AGM") of the Company. The votes will have advisory status, will be in respect of the remuneration policy and overall remuneration packages and will not be specific to individual levels of remuneration.

At the Company's 2023 AGM resolutions to approve the directors' remuneration report and remuneration policy were passed with 100% votes in favour of the resolutions. At the 2023 AGM, the Company did not receive any views from shareholders regarding directors' remuneration.

Remuneration policy

There was no external remuneration advice received by the Company during the years ended 31 December 2023 and 31 December 2022.

The remuneration policy of the Company is that each Director is entitled to a salary per annum from the date of their appointment. The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

Non-Executive Directors fees are £24,000 each per annum and are unchanged from last year.

Stephen West, as Executive Chairman, entered into a service agreement (the "Service Agreement") with the Company dated 26 February 2022 under which Mr West is employed until terminated by either party giving 6 months' prior written notice. Mr West received an annual salary of £120,000 until 15 September 2022 (pursuant to the terms of a side letter dated 7 March 2022 amending the Service Agreement). On the successful acquisition of Oncogeni Ltd on 16 September 2022, Mr West's salary was increased to £139,000 (pursuant to a side letter dated 29 November 2022 amending the Service Agreement) and he became entitled to pension contributions of 10% of salary into a nominated scheme from that date. Mr West is not entitled to any other benefits other than the reimbursement of his reasonable expenses. The Service Agreement is governed by English law.

Ajan Reginald, as Chief Executive Officer, entered into a service agreement with the Company dated 9 September 2022 (the "AR Service Agreement"). The AR Service Agreement was conditional on completion of the acquisition of Oncogeni Ltd and will remain in force until terminated by either party giving not less than twelve months' written notice. Mr Reginald receives an annual salary of £278,000 plus any discretionary bonus which the Company may choose to award in its sole and absolute discretion. Mr Reginald is entitled to pension contributions of 10% of his salary into a nominated scheme. Mr Reginald is not entitled to any other benefits other than the reimbursement

Remuneration Committee Report

continued

of his reasonable expenses. For a period of twelve months following termination of employment, Mr Reginald is subject to certain restrictive covenants preventing him from competing against the Group, amongst other matters. The AR Service Agreement is governed by English law.

Sir Martin Evans, as Chief Scientific Officer, entered into a service agreement with the Company dated 9 September 2022 (the "ME Service Agreement"). The ME Service Agreement was conditional on completion of the acquisition of Oncogeni Ltd and will remain in force until terminated by either party giving not less than three months' notice. Sir Evans receives an annual salary of £100,000 for two days of work per week, plus any discretionary bonus which the Company may choose to award in its sole and absolute discretion. Sir Evans is not entitled to any other benefits other than the reimbursement of his reasonable expenses. For a period of twelve months following termination of employment, Sir Evans is subject to certain restrictive covenants preventing him from competing against the Group, amongst other matters. The ME Service Agreement is governed by English law.

There have been no changes to the remuneration of the executive directors in the year ended 31 December 2023.

The Company's Remuneration Committee oversees decisions regarding the remuneration of the Board. The Board believes that shares and warrants owned by Directors strengthens the link between their personal interests and those of shareholders and is in line with the share dealing code adopted by the Company. Apart from the Company's share dealing code, there are no specific requirements or guidelines determined by the Remuneration Committee for Directors to own shares in the Company.

Should the Company award share-based remuneration in the future, appropriate vesting and holding periods will be determined by the Remuneration Committee.

Non-Executive Directors

The Company policy is that the Non-Executive Directors are expected to attend scheduled board meetings and attend committee meetings as required.

Terms of appointment

The services of the Non-Executive Directors during the year ended 31 December 2023 were provided in accordance with their appointment letters. Non-Executive Directors were expected to devote such time as was necessary for the proper performance of their duties, but as a minimum they were expected to commit at least one day per month, which should include attendance at all meetings of the Board and any sub-committees of the Board.

Director	Year of appointment
Stephen West	2020
Ajan Reginald	2022
Sir Martin Evans	2022
Dr Michael Stein	2021
Ms Jean Duvall	2022
Dr Simon Sinclair	2022
Dr Darrin Disley	2022

Remuneration Committee Report

continued

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors who served in the year ended 31 December 2023 (GBP):

Name of Director	Salary and Fees	Taxable Benefits	Annual Bonus and Long Term Benefits	Pension Related	Share Based Payment	Total
Stephen West	139,000	–	–	13,900	–	152,900
Ajan Reginald	278,000	–	–	27,800	–	305,800
Sir Martin Evans	100,000	–	–	–	–	100,000
Dr Michael Stein	24,000	–	–	–	–	24,000
Ms Jean Duvall	24,000	–	–	–	2,808	26,808
Dr Simon Sinclair	24,000	–	–	–	2,808	26,808
Dr Darrin Disley	24,000	–	–	–	–	24,000
Total	**613,000**	**–**	**–**	**41,700**	**5,616**	**660,316**

Set out below are the emoluments of the Directors who served in the year ended 31 December 2022 (GBP):

Name of Director	Salary and Fees	Taxable Benefits	Annual Bonus and Long Term Benefits	Pension Related	Share Based Payment	Total
Stephen West	114,251	–	–	4,054	–	118,305
Ajan Reginald	81,269	–	–	8,108	–	89,377
Sir Martin Evans	29,807	–	–	–	–	29,807
Dr Michael Stein	24,354	–	–	–	–	24,354
Ms Jean Duvall	17,753	–	–	–	2,808	20,561
Dr Simon Sinclair	16,738	–	–	–	2,808	19,546
Dr Darrin Disley	7,015	–	–	–	–	7,015
Mark Rollins	–	–	–	–	–	–
Mark Freeman[1]	17,505	–	–		–	17,505
Total	**308,692**	**–**	**–**	**12,162**	**5,616**	**326,470**

[1]Mark Freeman resigned as director on 16th September 2022

Directors warrants (audited)

Details of warrants in the Company held by Directors who served during the year are set out below:

Name of Director	As at 1 January 2023	Granted during the year	Exercised or lapsed during the year	As at 31 December 2023	Vested but unexercised at 31 December 2023	Exercise price	Date of grant	Final Vesting date
Stephen	3,000,000	–	–	3,000,000	3,000,000	£0.10	25/11/2020	21/12/2021
West*	500,000	–	(500,000)	–	–	£0.10	22/03/2021	22/03/2021
	3,000,000	–	–	3,000,000	3,000,000	£0.10	13/10/2021	13/10/2021
	1,000,000	–	–	1,000,000	694,420	£0.15	13/10/2021	21/12/2024
	7,500,000	**–**	**(500,000)**	**7,000,000**	**6,694,420**			
Ms Jean	300,000	–	–	300,000	150,000	£0.15	22/06/2022	28/04/2024
Duval	**300,000**	**–**	**–**	**300,000**	**150,000**			
Dr Simon	300,000	–	–	300,000	150,000	£0.15	22/06/2022	28/04/2024
Sinclair	**300,000**	**–**	**–**	**300,000**	**150,000**			
Dr Michael	750,000	–	–	750,000	750,000	£0.05	22/03/2021	21/12/2021
Stein	750,000	–	–	750,000	750,000	£0.10	22/03/2021	21/12/2021
	500,000	–	–	500,000	166,667	£0.15	13/10/2021	21/12/2024
	2,000,000	**–**	**–**	**2,000,000**	**1,666,667**			

*held by Cresthaven Investments Pty Ltd ATF The Bellini Trust – an entity associated with S West

Remuneration Committee Report

continued

Details of warrants in the Company held by Directors who served during the year ended 31 December 2022 are set out below:

Name of Director	As at 1 January 2022	Granted during the year	Exercised or lapsed during the year	As at 31 December 2022	Vested but unexercised at 31 December 2022	Exercise price	Date of grant	Final Vesting date
Stephen	3,000,000	–	–	3,000,000	3,000,000	£0.10	25/11/2020	21/12/2021
West*	500,000	–	–	500,000	500,000	£0.10	22/03/2021	22/03/2021
	3,000,000	–	–	3,000,000	3,000,000	£0.10	13/10/2021	13/10/2021
	1,000,000	–	–	1,000,000	333,333	£0.15	13/10/2021	21/12/2024
	7,500,000	**–**	**–**	**7,500,000**	**6,833,333**			
Ms Jean	–	300,000	–	300,000	–	£0.15	22/06/2022	28/04/2024
Duval	**–**	**300,000**	**–**	**300,000**	–			
Dr Simon	–	300,000	–	300,000	–	£0.15	22/06/2022	28/04/2024
Sinclair	**–**	**300,000**	**–**	**300,000**	**–**			
Mark	3,000,000	–	–	3,000,000	3,000,000	£0.10	25/11/2020	21/12/2021
Rollins	500,000	–	–	500,000	500,000	£0.10	22/03/2021	22/03/2021
	250,000	–	–	250,000	83,333	£0.15	13/10/2021	21/12/2024
	3,750,000	**–**	**–**	**3,750,000**	**3,583,333**			
Dr Michael	750,000	–	–	750,000	750,000	£0.05	22/03/2021	21/12/2021
Stein	750,000	–	–	750,000	750,000	£0.10	22/03/2021	21/12/2021
	500,000	–	–	500,000	166,667	£0.15	13/10/2021	21/12/2024
	2,000,000	**–**	**–**	**2,000,000**	**1,666,667**			
Mark	500,000	–	–	500,000	166,667	£0.15	13/10/2021	21/12/2024
Freeman	**500,000**	**–**	**–**	**500,000**	**166,667**			

*held by Cresthaven Investments Pty Ltd ATF The Bellini Trust – an entity associated with S West

Pension contributions (audited)

The Company does not currently have any pension plans for any of the Directors. It pays any pension amounts due in relation to their remuneration into funds nominated by them.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Payments for loss of office (audited)

No payments were made for loss of office during the year.

The Committee will honour contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

Remuneration Committee Report

continued

UK Remuneration percentage changes

The Executive Chairman, Stephen West was awarded total salary (including pension contributions) of £152,900 in the year ended 31 December 2023 (2022: £118,305) representing an increase of 29% during the year.

Mr West had no changes to his remuneration in the year ended 31 December 2023.

The Chief Executive Officer, Ajan Reginald and the Chief Scientific Officer, Sir Martin Evans, were appointed in September 2022. In the year ended 31 December 2023 Mr Reginald was paid a salary (including pension contributions) of £305,800 (2022: £89,377) representing an increase of 14% during the year on a pro-rata basis, and Sir Martin Evans was paid £100,000 (2022: £29,807) representing an increase of 12% during the year on a pro-rata basis.

All Non-Executive Directors were paid £24,000 per annum. There has been no change in 2023.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company only listed in 2021, is not paying dividends and is currently incurring losses as it gains scale. In addition, and as mentioned above, the remuneration of Directors was not linked to performance and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this graph for future reports.

UK 10-year CEO table and UK percentage change table

The Company has employed a CEO from 16 September 2022 therefore the Directors do not currently consider that including such a table would be meaningful. The Directors will review the inclusion of this table for future reports. The CEO's remuneration was agreed with reference to the advice of a third-party recruitment company. They provided evidence of salaries in similar organisations, giving a benchmark for the salary of the new CEO.

Relative importance of spend on pay

The table below illustrates the year-on-year change in total remuneration compared to distributions to shareholders and operational cash flow for the financial periods ended 31 December 2023 and 2022:

	Distributions to shareholders £	Total directors and employee pay £	Operational cash outflow £
Year ended 31 December 2023	–	1,087,947	1,733,533
Year ended 31 December 2022	–	573,538	1,577,476

Total employee pay includes wages and salaries, social security costs and pension costs for employees in continuing operations. Further details on Employee remuneration are provided in note 6. Operational cash outflow has been shown in the table above as cash flow monitoring and forecasting is an important consideration for the Remuneration Committee and Board of Directors when determining cash-based remuneration for directors and employees.

UK Directors' shares (audited)

The interests of the Directors who served during the year in the share capital of the Company at 31 December 2023 and at the date of this report has been set out in the Directors' Report on pages 9 to 12.

Remuneration Committee Report

continued

Other matters

The Company does not currently have any other annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

Approved on behalf of the Board of Directors by:

Dr Darrin Disley
Chair of the Remuneration Committee

25 April 2024

Audit Committee Report

During the year the Audit Committee comprised of two Non-Executive Directors, Jean Duvall as chair of the Audit Committee and Dr Michael Stein as a member of the Committee. On 23 January 2024 Dr Michael Stein resigned and Dr Simon Sinclair was appointed to the Audit Committee. Accordingly, as at the date of this report, the Audit Committee comprises Jean Duvall (as chair) and Dr Simon Sinclair.

The Audit Committee oversees the Company's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the annual report and financial statements and the half-yearly report remains with the Board.

Main Responsibilities

The Audit Committee acts as a preparatory body for discharging the Board's responsibilities in a wide range of financial matters by:

- monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance;
- reviewing significant financial reporting issues, accounting policies and disclosures in financial reports, which are considered to be in accordance with the key audit matters identified by the external auditors;
- overseeing that an effective system of internal control and risk management systems are maintained;
- ensuring that an effective whistle-blowing, anti-fraud and bribery procedures are in place;
- overseeing the Board's relationship with the external auditor and, where appropriate, the selection of new external auditors;
- monitoring the statutory audit of the annual financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority;
- approving non-audit services provided by the external auditor, or any other accounting firm, ensuring the independence and objectivity of the external auditors is safeguarded when appointing them to conduct non-audit services; and
- ensuring compliance with legal requirements, accounting standards and the Listing Rules and the Disclosure and Transparency Rules.

Governance

Good practice suggests that at least one member of the Audit Committee has recent and relevant financial experience. The Audit Committee's current chair, Jean Duvall, has significant business and commercial experience, including with public companies. The Board is satisfied that the Audit Committee has recent and relevant financial experience.

Members of the Audit Committee are appointed by the Board and whilst warrant holders, the Company believes they are considered to be independent in both character and judgement.

The Company's external auditor is RPG Crouch Chapman LLP (2022: BDO LLP) and the Audit Committee will closely monitor the level of audit and non-audit services they provide to the Company.

Audit Committee Report

continued

Meetings

For the year to 31 December 2023 the Board has met with the auditors on two occasions.

The key work undertaken by the Audit Committee is as follows:

- interview of external auditors and recommendation to the Board
- review of audit planning and update on relevant accounting developments;
- consideration and approval of the risk management framework, appropriateness of key performance indicators;
- consideration and review of full-year results;
- review of the effectiveness of the Audit Committee;
- review of internal controls; and
- considered whether an internal audit function is required and confirmed it is not considered necessary given the present size of the Company.

The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment or removal of the external auditor.

External auditor

The Company's external auditor is RPG Crouch Chapman LLP. The external auditor has unrestricted access to the Audit Committee chair. The Committee is satisfied that RPG Crouch Chapman LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained.

The external auditors report to the Audit Committee annually on their independence from the Company. In accordance with professional standards, the partner responsible for the audit is changed every five years. The current auditor, RPG Crouch Chapman LLP was first appointed by the Company in 2023, and therefore the current partner is due to rotate off the engagement after completing the audit for the year ended 31 December 2028. Having assessed the performance objectivity and independence of the auditors, the Committee will be recommending the reappointment of RPG Crouch Chapman LLP as auditors to the Group at the 2024 Annual General Meeting.

Approved on behalf of the Board of Directors by:

Ms Jean Duvall
Chair of the Audit Committee

25 April 2024

Nomination Committee Report

During the year the Nomination Committee comprised of two Non-Executive Directors Dr Michael Stein (as chair) and Dr Simon Sinclair. On 21 March 2024 Dr Michael Stein resigned and Dr Darrin Disley was appointed as Chair to the Nomination Committee. Accordingly, as at the date of this report, the Nomination Committee comprises Dr Darrin Disley (as chair) and Dr Simon Sinclair.

Nomination committee evaluation

The Nomination Committee evaluates the composition, skills, and diversity of the Board and its committees and identifies a requirement for a Board appointment.

Identify suitable candidates

The Nomination Committee undertakes a review of each candidate and their experience in accordance with the Company's 'director's profile' and suitable candidates are identified.

For the appointment of a Chairman, the Nomination Committee will prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises.

Nomination committee recommendation

In the current year there have been no new appointments to the board.

Due diligence

After a candidate has been recommended to the Board by the Nomination Committee, the company secretary undertakes appropriate background checks on a candidate. The Board of directors meets any candidate recommended by the Nomination Committee and the candidate is given an opportunity to make a presentation to the Board prior to deciding on their appointment.

Board appointment

The Board formally approves a candidate's appointment to the Board.

Approach to Diversity

The Nomination Committee believes in the benefits of diversity, including the need for diversity in order to effectively represent shareholders' interests. This diversity is not restricted to gender but also includes geographic location, nationality, skills, age, educational and professional background. The Board's policy remains that selection should be based on the best person for the role.

On behalf of the Nomination Committee

Dr Darrin Disley
Chair of the Nomination Committee

25 April 2024

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

Opinion

We have audited the financial statements of Roquefort Therapeutics PLC (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards ('IFRS').

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3(b) in the accounting policies, concerning the Group's ability to continue as a going concern. The matters explained in Note 3(b) indicate that the Group needs to raise further finance to fund its working capital needs and development plans. As at the date of approval of these financial statements there are no legally binding agreements relating to securing the required funds. These events or conditions along with the matters set forth in Note 3 (b) indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We have highlighted going concern as a key audit matter. In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Analysing Management's and the Directors' cashflow forecast which forms the basis of their assessment that the going concern basis of preparation remains appropriate for the preparation of the Group and Company financial statements for a period of at least twelve months from the date of approval of these financial statements;
- Testing the integrity of the cashflow model;
- Assessing costs included within the cashflow forecast and where available agreeing these costs to other evidence obtained during the course of our audit work is in line with our expectations;

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

continued

- Obtaining details of post year end fundraisings and agreeing supporting documentation and cash received;
- Discussing with Management and the Board the Group's strategy to continue to ensure funds are available to the Group to fund its plans;
- Sensitising the cash flows for changes in key assumptions and considering the impact on headroom; and
- Reviewing and considering the adequacy of the disclosure within the financial statements relating to the Directors' assessment of the going concern basis of preparation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The use of the Going Concern basis of accounting was assessed as a key audit matter and has already been covered in an earlier section of this report. The other key audit matters identified are listed below.

Key audit matter	How our work addressed this matter
Revenue Recognition Revenue recognition is a presumed risk of fraud under International Auditing Standards. During the year, the Group has recognised £200k of licence income. As this is the first year in which the Group has reported licensing revenue, this was determined to be a key audit matter.	**Our audit work included:** ● Obtaining a copy of the licensing agreement and reviewing it for key terms and conditions of the arrangement. ● Ensuring revenue recognition is in compliance with IFRS 15: Revenue. ● Reviewing accounting policies and disclosures within the financial statements and ensuring these are in compliance with IFRS.

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

continued

Key audit matter	How our work addressed this matter
Carrying Value of Intangible Assets In previous years the Group has acquired 2 subsidiary companies, Oncogeni Ltd and Lyramid Pty Ltd. The group currently has intangible assets consisting of £282k of goodwill and £5.1m of acquired R&D on its consolidated balance sheet as a direct result of these acquisitions. The Group are currently expensing all R&D costs to the Profit and Loss account and no amortisation of these balances have begun as management have determined that these projects are still in the research phase and that their future viability has yet to be established. Given the subjective nature of valuing intangible assets and significant assumptions required the carrying value of investments was deemed to be a key audit matter.	**Our audit work included:** ● Reviewing brought forward calculations to agree the opening balance position in the financial statements and previous accounting treatment in relation to these transactions. ● Agreeing the allocation of consideration across intangibles back to the supporting evidence at the date of acquisition. ● Reviewing management's assessment of impairment in relation to the intangible assets. ● Discussing with management the assumptions used in the impairment models and obtaining details to support these key assumptions, including challenging of management in relation to these assumptions. ● Obtaining an understanding of the current status of each research and development project to corroborate treatment to IAS38 requirements.
Carrying Value of Investments The Company currently has investments of £4.9m on its Statement of Financial Position relating to 100% shareholdings in subsidiary companies Lyramid Pty Ltd and Oncogeni Ltd. Given the subjective nature of valuing investments and significant assumptions required the carrying value of investments was deemed to be a key audit matter.	**Our audit work included:** ● Reviewing brought forward calculations to agree the opening balance position. ● Obtaining and reviewing management's assessment of impairment. ● Discussing with management key assumptions and judgements made in the preparation of the impairment models, agreeing these to supporting evidence and challenging theses where appropriate. ● Reviewing post year end financial statements and comparing actual performance to managements assessments. ● Reviewing post year end non financial events for evidence of any subsequent impairment indicators

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

continued

We consider loss before tax to be the most significant determinant of the Group's financial performance used by the users of the financial statements. This is due to the group continuing to have expensed its R&D costs during the year but also having recorded its first revenue. We have based materiality for the Group and Parent Company on 5% of loss before tax. Overall materiality for the Group was therefore set at £97k and for the Parent Company at £77k. Performance materiality was set at a threshold between 50% and 75% of materiality depending on the determined audit risk of the financial statement area in question. Significant audit risk areas (revenue, intangibles, investments and management override) were audited to a 50% performance materiality threshold with remaining areas subject to a 75% performance materiality threshold. Treatment was the same for the Group and Parent Company.

For the purpose of our Group audit opinion, we set materiality for the significant component of the group at 50% of group materiality. Component materiality was therefore £48,500. Performance materiality was set at the same 50-75% of materiality threshold as identified above.

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the Group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.
- The part of the Director's Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report, the Directors' Report or the Director's Remuneration Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Group or the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group or the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12 to 13 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries of management, including obtaining and reviewing supporting documentation concerning the Group's policies and procedures relating to;
    - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
    - Detecting to and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

continued

We also obtained an understanding of the legal and regulatory framework that the Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures included within the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and IFRS.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Company's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law, data protection regulations and general trading laws in the UK and Australia.

As a result of these procedures we consider the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition, management override of controls, investment valuations and intangible valuations.

Our procedures to respond to these risks identified included the following;

- Reviewing the financial statement disclosures and testing these to supporting documentation to asses compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- Enquiring with management concerning actual and potential litigation claims
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Agreeing investment and intangible valuations to supporting documentation and recalculating.
- Reviewing management impairment assessments and challenging assumptions made to ensure valuations of intangibles and investments are reasonable
- Reviewing board minutes and legal and professional fees during the year and any subsequent to the year end to identify any potential litigation not previously disclosed
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments for evidence of management override/bias and agreeing these to supporting documentation.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the rationale of any significant transactions that are deemed unusual or outside of the normal course of the Group and Company's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Independent Auditors' Report to the Members of Roquefort Therapeutics plc

continued

Other matters that we are required to address

We were appointed on 24 November 2023 and this is the first year of our engagement as auditors for the Group.

We confirm that we are independent of the Group and Parent Company and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements.

Our audit report is consistent with our additional report to the Audit Committee explaining the results of our audit.

Use of our report

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

Paul Randall FCA (Senior Statutory Auditor)
For and on behalf of RPG Crouch Chapman LLP
Chartered Accountants
Registered Auditor
40 Gracechurch Street
London
EC3V 0BT
25 April 2024

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Revenue	7	200,000	–
Other income		–	–
Administrative expenses	9	(1,499,193)	(1,306,561)
Share based payments - directors and senior managers	9	(10,402)	(8,427)
Research and development expenditure	9	(620,159)	(319,315)
Operating loss & loss before, interest, taxation & depreciation		(1,929,754)	(1,634,303)
Interest receivable		1,469	–
Interest payable		(58)	–
Depreciation	14	(3,890)	–
Loss for the year before taxation		(1,932,233)	(1,634,303)
Taxation	10	187,693	18,886
Loss for the year		(1,744,540)	(1,615,417)
Other comprehensive income (loss)	8	27,045	(14,989)
Total comprehensive loss for the period attributable to equity holders of the parent		(1,717,495)	(1,630,406)
Loss per share (basic and diluted) attributable to the equity holders (pence)	11	(1.35)	(1.56)

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Financial Position

	Note	As at 31 December 2023 £	As at 31 December 2022 £
Assets			
Non-current assets			
Property, Plant & Equipment	14	50,152	–
Intangible assets	12	5,343,505	5,343,505
Total non-current assets		5,393,657	5,343,505
Current assets			
Trade and other receivables	15	157,589	101,738
Cash and cash equivalents	16	537,322	2,322,974
Total current assets		694,911	2,424,712
Total assets		6,088,568	7,768,217
Equity and liabilities			
Equity attributable to shareholders			
Share capital	19	1,291,500	1,291,500
Share premium	19	4,403,094	4,403,094
Share based payments reserve	20	385,537	375,135
Merger relief reserve	21	3,700,000	3,700,000
Retained deficit		(4,293,268)	(2,548,728)
Currency translation reserve	8	12,680	(14,365)
Total equity		5,499,543	7,206,636
Liabilities			
Non-Current liabilities			
Deferred tax liabilities	18	281,911	281,911
Current liabilities			
Trade and other payables	17	307,114	279,670
Total liabilities		589,025	561,581
Total equity and liabilities		6,088,568	7,768,217

The notes to the financial statements form an integral part of these financial statements.

This report was approved by the Board and authorised for issue on 25 April 2024 and signed on its behalf by:

Stephen West
Executive Chairman

Company Registration Number: 12819145

Company Statement of Financial Position

	Note	As at 31 December 2023 £	As at 31 December 2022 £
Assets			
Non-current assets			
Property, Plant & Equipment	14	50,152	–
Investments	13	4,874,774	4,874,774
Intercompany receivables		812,951	451,622
Total non-current assets		5,737,877	5,326,396
Current assets			
Trade and other receivables	15	124,988	64,309
Cash and cash equivalents	16	301,674	2,274,478
Total current assets		426,662	2,338,787
Total assets		6,164,539	7,665,183
Equity and liabilities			
Equity attributable to shareholders			
Share capital	19	1,291,500	1,291,500
Share premium	19	4,403,094	4,403,094
Share based payments reserve	20	385,537	375,135
Merger relief reserve	21	3,700,000	3,700,000
Retained deficit		(3,798,504)	(2,288,350)
Total equity		5,981,627	7,481,379
Liabilities			
Current liabilities			
Trade and other payables	17	182,912	183,804
Total liabilities		182,912	183,804
Total equity and liabilities		6,164,539	7,665,183

The notes to the financial statements form an integral part of these financial statements.

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial period was £1,510,524 (2022: loss of £1,287,740).

The financial statements were approved by the Board and authorised for issue on 25 April 2024 and signed on its behalf by:

Stephen West
Executive Chairman

Consolidated Statement of Changes in Equity

	Ordinary Share capital £	Share Premium £	Share Based Payment Reserve £	Merger relief reserve £	Retained earnings £	Translation Reserve £	Total equity £
As at 31 December 2021	719,000	3,460,595	366,708	450,000	(914,321)	624	4,082,606
Loss for the year	–	–	–	–	(1,615,417)	–	(1,615,417)
Exchange differences	–	–	–	–	–	(14,989)	(14,989)
Total comprehensive loss for the year	–	–	–		(1,615,417)	(14,989)	(1,630,406)
Transactions with owners							
Ordinary shares issued	572,500	942,499	–	3,250,000	–	–	4,764,999
Stamp duty on share issue					(18,990)		(18,990)
Warrants charge	–	–	8,427	–	–	–	8,427
Total transactions with owners	572,500	942,499	8,427	3,250,000	(18,990)	–	4,754,436
As at 31 December 2022	**1,291,500**	**4,403,094**	**375,135**	**3,700,000**	**(2,548,728)**	**(14,365)**	**7,206,636**
Loss for the year	–	–	–	–	(1,744,540)	–	(1,744,540)
Exchange differences	–	–	–	–	–	27,045	27,045
Total comprehensive income / (loss) for the year	–	–	–	–	(1,744,540)	27,045	(1,717,495)
Transactions with owners							
Ordinary shares issued	–	–	–	–	–	–	–
Warrants charge	–	–	10,402	–	–	–	10,402
Total transactions with owners	–	–	10,402	–	–	–	10,402
As at 31 December 2023	**1,291,500**	**4,403,094**	**385,537**	**3,700,000**	**(4,293,268)**	**12,680**	**5,499,543**

The notes to the financial statements form an integral part of these financial statements.

Company Statement of Changes in Equity

	Ordinary Share capital £	Share Premium £	Merger relief reserve £	Share Based Payment Reserves £	Retained earnings £	Total equity £
As at 31 December 2021	719,000	3,460,595	450,000	366,708	(981,620)	4,014,683
Loss for the year	–	–	–	–	(1,287,740)	(1,287,740)
Total loss for the year	–	–	–	–	(1,287,740)	(1,287,740)
Transactions with owners						
Ordinary Shares issued	572,500	942,499	3,250,000	–	–	4,764,999
Stamp duty on share issue					(18,990)	(18,990)
Warrants issued	–	–	–	8,427	–	8,427
Total transactions with owners	572,500	942,499	3,250,000	8,427	(18,990)	4,754,436
As at 31 December 2022	**1,291,500**	**4,403,094**	**3,700,000**	**375,135**	**(2,288,350)**	**7,481,379**
Loss for the year	–	–	–	–	(1,510,154)	(1,510,154)
Total loss for the year	–	–	–	–	(1,510,154)	(1,510,154)
Transactions with owners						
Ordinary Shares issued	–	–	–	–	–	–
Share-based payments	–	–	–	10,402	–	10,402
Total transactions with owners	–	–	–	10,402	–	10,402
As at 31 December 2023	**1,291,500**	**4,403,094**	**3,700,000**	**385,537**	**(3,798,504)**	**5,981,627**

The notes to the financial statements form an integral part of these financial statements

Consolidated Statement of Cash Flow

	Note	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Cash flow from operating activities			
Loss before income tax		(1,932,233)	(1,634,303)
Adjustments for:			
Foreign Exchange		26,533	(9,918)
Share based payment	20	10,402	8,427
Depreciation	14	3,890	–
Taxation	10	187,693	18,886
Interest income		(1,469)	–
Interest expense		58	–
Changes in working capital:			
Increase in trade and other receivables		(55,851)	(20,318)
Increase in trade and other payables		27,444	59,750
Net cash used in operating activities		(1,733,533)	(1,577,476)
Cash flow from Investing activities			
Purchase of Property, Plant & Equipment		(54,042)	–
Acquisition of subsidiary, net of cash acquired		–	(103,478)
Interest received		1,469	–
Net cash used in investing activities		(52,573)	(103,478)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares	19		3,121,202
Share issue costs	19	–	(18,990)
Interest paid		(58)	–
Net cash (used in)/ generated from financing activities		(58)	3,102,212
Net (decrease)/ increase in cash and cash equivalents		(1,786,164)	1,421,258
Cash and cash equivalents at the beginning of the period		2,322,974	899,721
Foreign exchange impact on cash		512	1,995
Cash and cash equivalents at the end of the period	16	537,322	2,322,974

Company Statement of Cash Flow

	Note	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Cash flow from operating activities			
Loss before income tax		(1,546,488)	(1,287,740)
Adjustments for:			
Non-cash adjustment			
Depreciation	14	3,890	–
Share based payment	20	10,402	8,427
Taxation		36,334	–
Changes in working capital:			
Increase in trade and other receivables		(60,678)	(34,288)
Increase in trade and other payables		(892)	56,153
Net cash used in operating activities		(1,557,432)	(1,257,448)
Cash flow from Investing activities			
Purchase of Property, Plant & Equipment	14	(54,042)	
Acquisition of subsidiary		–	(109,079)
Borrowings to subsidiaries		(361,330)	(318,822)
Net cash used in investing activities		(415,372)	(427,901)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares	19	–	3,121,202
Share issue costs	19	–	(18,990)
Net Cash from financing activities			3,102,212
Net (decrease)/increase in cash and cash equivalents		(1,972,804)	1,416,863
Cash and cash equivalents at the beginning of the period		2,274,478	857,615
Foreign exchange impact on cash		–	–
Cash and cash equivalents at the end of the period	16	301,674	2,274,478

The notes to the financial statements form an integral part of these financial statements.

1. General Information

Roquefort Therapeutics plc, the Group's ultimate parent company, was incorporated on 17 August 2020 as a public company limited by shares in England and Wales with company number 12819145 under the Companies Act.

The address of its registered office is 85 Great Portland Street, First Floor, London W1W 7LT, United Kingdom.

The principal activity of the Company is to develop pre-clinical next generation medicines focused on hard-to-treat cancers.

The Company listed on the London Stock Exchange ("LSE") on 22 March 2021.

The consolidated financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standards as issued by the International Accounting Standards Board (IASB) and endorsed by the UK Endorsement Board. They have been prepared under the assumption that the Group operates on a going concern basis.

2. New Standards and Interpretations

New and revised accounting standards adopted for the year ended 31 December 2023 did not have any material impact on the Group's accounting policies. There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 Income taxes); and
- International Tax Reform – Pilar Two Model Rules (Amendment to AS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current) with Covenants; and
- Amendment to IAS 7 and IFRS 7 - Supplier finance;

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 *The effects of changes in foreign exchange rates*)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

a) Basis of Preparation

The financial statements of Roquefort Therapeutics plc have been prepared in accordance with UK adopted International Accounting Standards, and the Companies Act 2006.

The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Going Concern

The Directors have prepared financial forecasts to estimate the likely cash requirements of the Group over the period to 30 June 2025, given its stage of development and lack of recurring revenues. In preparing these financial forecasts, the Directors have made certain assumptions with regards to the timing and amount of future expenditure over which they have control. The Directors have considered the sensitivity of the financial forecasts to changes in key assumptions, including, among others, potential cost overruns within committed spend and changes in exchange rates.

The Group's available resources are sufficient to cover the Group's plans to complete existing pre-clinical development activities during 2024, however, they are not sufficient to cover existing committed costs and the costs of planned activities for at least 12 months from the date of signing these consolidated and company financial statements.

The Directors plan to raise further funds during 2024 (either through licencing deals and/or other financing arrangements) and have reasonable expectations that sufficient cash will be raised (either through licencing deals and/or other financing arrangements) to fund the planned operations of the Group for a period of at least 12 months from the date of approval of these financial statements. The funding requirement indicates that a material uncertainty exists which may cast significant doubt over the Group's and Company's ability to continue as a going concern, and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

After due consideration of these forecasts, current cash resources, including the sensitivity of key inputs and success in raising new funding the Directors consider that the Group will have adequate financial resources to continue in operational existence for the foreseeable future (being a period of at least 12 months from the date of this report) and, for this reason, the financial statements have been prepared on a going concern basis. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

c) Basis of Consolidation

The Group's financial statements consolidate those of the parent company and its subsidiaries as of 31 December 2023. Lyramid Pty Ltd and Oncogeni Ltd have reporting dates at 31 December whilst the reporting date of Tumorkine Pty Ltd is 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of its subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

d) Revenue From Contracts with Customers

The Group recognises revenue as follows:

Commercialisation and milestone revenue

Commercialisation and milestone revenue generally includes non-refundable upfront license and collaboration fees; milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones; as well as royalties on product sales of licensed products, if and when such product sales occur; and revenue from the supply of products. Payment is generally due on standard terms of 30 to 60 days.

Amounts received prior to satisfying the revenue recognition criteria are recorded as deferred revenue or deferred consideration, depending on the nature of arrangement. Amounts expected to be recognised as revenue within the 12 months following the consolidated balance sheet date are classified within current liabilities. Amounts not expected to be recognised as revenue within the 12 months following the consolidated balance sheet date are classified within non-current liabilities.

Milestone revenue

The Group applies the five-step method under the standard to measure and recognise milestone revenue. The receipt of milestone payments is often contingent on meeting certain clinical, regulatory or commercial targets, and is therefore considered variable consideration. The Group estimates the transaction price of the contingent milestone using the most likely amount method.

The Group includes in the transaction price some or all of the amount of the contingent milestone only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the contingent milestone is subsequently resolved.

Milestone payments that are not within the control of the Company, such as regulatory approvals, are not considered highly probable of being achieved until those approvals are received.

Any changes in the transaction price are allocated to all performance obligations in the contract unless the variable consideration relates only to one or more, but not all, of the performance obligations.

e) Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

f) Foreign Currency Translation

i) Functional and Presentation Currency

The financial statements are presented in Pounds Sterling (GBP), which is the Group's functional and presentation currency.

ii) Transactions and Balances

Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of assets and liabilities are recognised immediately in profit or loss.

iii) Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into GBP at the closing rate on the acquisition date. Income and

expenses have been translated into GBP at the average rate of over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

g) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

All operations and information are reviewed together so that at present there is only one reportable operating segment.

In the opinion of the Directors, during the period the Group operated in the single business segment of biotechnology.

In 2023 the Group derived more than 10% of its revenue from a single external customer.

h) Property, Plant & Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and, where appropriate, less provisions for impairment.

The initial recognition and subsequent measurement of property, plant and equipment are:

Initial recognition

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating. In most circumstances, the cost will be its purchase cost, together with the cost of delivery.

Subsequent measurement

An asset will only be depreciated once it is ready for use. Depreciation is charged so as to write off the cost of property, plant and equipment, less its estimated residual value, over the expected useful economic lives of the assets.

Depreciation is charged on a straight-line basis as follows:

- Equipment 3 years

The disposal or retirement of an asset is determined by comparing the sales proceeds with the carrying amount. Any gains or losses are recognised within the Consolidated Statement of Comprehensive Income.

i) Goodwill and Intangible Assets

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note (j) for a description of impairment testing procedures.

Transactions where the definition of a business combination, per IFRS 3, is not met due to the asset or group of assets not meeting the definition of a business, or where the concentration test affords the Directors the option not to treat as a business, are recognised as an asset acquisition. The Group identifies and recognises the individual identifiable assets acquired and liabilities assumed and allocates the cost of the group of assets and liabilities (including directly attributable costs of making the acquisition) to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Other intangible assets, including licences and patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Refer to Note (j) for amortisation procedures.

j) Impairment Testing of Goodwill, Other Intangible Assets and Property, Plant and Equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, from the date the assets are available for use and is recognised in profit or loss. The available for use date is determined as the date from which a product is commercialised – this had yet to occur, for all intangible assets, at 31 December 2023 and 2022. Goodwill is not amortised.

k) Financial Instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

i) Classification

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

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

ii) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii) Measurement

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

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Receivables
Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

iv) Impairment
The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

l) Taxation
Taxation comprises current and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

R&D tax rebate receivable represents refundable tax offsets, in cash, from the Australian Taxation Office in relation to expenditure incurred in the current year for eligible research and development activities. Research and development activities are refundable at a rate of 43.5% for each dollar spent, subject to meeting certain eligibility criteria. Funds are expected to be received subsequent to the lodgement of the income tax return and research and development tax incentive schedule for the current financial year. The Group recognises a taxation credit, in the year the cash is received, which generally relates to expenses during the prior period. In future periods (which will include UK R&D tax credits), once an established pattern of successful claims is recorded, the Group will consider an accruals basis, recording the tax credit and a receivable in the period the eligible expenditure was incurred.

m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

n) Equity, Reserves and Dividend Payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs directly associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Share based payments represents the value of equity settled share-based payments provided to employees, including key management personnel, and third parties for services provided.

Translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into GBP on consolidation.

Retained losses represent the cumulative retained losses of the Group at the reporting date.

Merger relieve reserve arises from the acquisition of Oncogeni Ltd and Lyramid Pty Ltd whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to his reserve in accordance with section 612 of the Companies Act 2006

All transactions with owners of the parent are recorded separately within equity.

No dividends are proposed for the period.

o) Earnings Per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

p) Employee Benefits

Provision is made for Lyramid Pty Ltd's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Short term obligations

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations
Contributions for retirement benefit obligations are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. Contributions are paid into the fund nominated by the employee.

Employee benefits provision
The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

q) Leases
Leases are accounted for by recognising a right-of-use asset and a lease liability, except for leases of low value assets and leases with a duration of 12 months or less, for which the lease cost is expensed in the period to which it relates.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: lease payments made at or before commencement of the lease; initial direct costs incurred; and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

r) Share-Based Payments
The Company has applied the requirements of IFRS 2 Share-based payments.

The Company issues equity settled share-based payments to the Directors and to third parties for the provision of services provided for assistance in raising private equity. Equity settled share-based payments are measured at fair value at the date of grant, or the date of the service provided. The fair value determined at the grant date or service date of the equity settled share-based payment is recognised as an expense, or recognised against share premium where the service received relates to assistance in raising equity, with a corresponding credit to the share based payment reserve. The fair value determined at the grant date of equity settled share based payment is expensed on a straight-line basis over the life of the vesting period, based on the Company's estimate of shares that will eventually vest. Once an option or warrant vests, no further adjustment is made to the aggregate expensed.

The fair value is measured by use of the Black Scholes model as the Directors view this as providing the most reliable measure of valuation. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The market price used in the model is the quoted LSE closing price. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitation of the calculation used.

s) Financial Risk Management Objectives and Policies

The Group does not enter into any forward exchange rate contracts.

The main financial risks arising from the Group's activities are market risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and capital risk management. Further details on the risk disclosures can be found in Note 22.

t) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors consider the significant accounting judgements, estimates and assumptions used within the financial statements to be:

Impairment of intercompany loans

The Group and the Company assess at each reporting date whether there is any objective evidence that loans to subsidiaries are impaired. To determine whether there is objective evidence of impairment, a considerable amount of estimation is required to determine future credit losses over the 12 month period of life time of the loan.

Impairment of intangible assets and goodwill

As at 31 December 2023 The Group has £5,343,505 of intangible assets which relate to £5,061,594 of in-progress research and development and £281,911 of goodwill related to the expected tax benefits of the capitalised amounts. The Group has assessed whether there are any indicators of impairment by estimating the recoverable amount of each asset or cash-generating unit based on probable future cashflows.

Business combinations

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination (see Notes 3 and 4). In particular, the fair value of contingent consideration is dependent on the market capitalisation of the Group exceeding a threshold amount.

In the prior year Management had performed the optional concentration test available under IFRS3, in order to determine that the acquisition of Oncogeni Ltd can be treated as an asset acquisition. Judgement is required to determine whether 'substantially all' the fair value is concentrated in a single asset or group of assets, and when considering a group of assets, assessing whether those assets are similar. In determining whether assets are similar, judgement is required to consider the nature of each single identifiable asset and the risks associated with managing and creating outputs from the assets (that is, the risk characteristics). Management has considered that the two separate in-progress research and development programs, MK cell therapy and STAT-6 siRNA therapeutics, are similar as they are both pre-clinical stage oncology treatments.

4. Acquisitions

Acquisition of Oncogeni Ltd

On 16 September 2022, the Group acquired 100% of the equity instruments of Oncogeni Ltd, a UK based business, thereby obtaining control. The acquisition was assessed as being complementary to the Group's existing pre-clinical drug development business. The Group applied the concentration test under IFRS3 and considered it as an asset acquisition.

The details of the asset acquisition are as follows:

Fair value of consideration transferred	£
Equity consideration	3,750,000
Costs directly attributable to acquisition	109,079
Total	3,859,079
Recognised amounts of identifiable net assets at book values	
Trade and other receivables	7,294
Cash and cash equivalents	5,601
Total current assets	12,895
Trade and other payables	15,792
Total current liabilities	15,792
Identifiable net liabilities	2,897
Intangible asset at cost	3,861,975
Consideration transferred settled in cash	–
Cash and cash equivalents acquired	5,601
Net cash inflow on acquisition	5,601

Consideration transferred

The acquisition of Oncogeni Ltd was settled for a consideration of £3,750,000, all of which was payable in shares. £109,079 of costs directly attributable to the acquisition have been included in the consideration of the transaction.

Identifiable net assets

The carrying value of the trade and other receivables acquired as part of the business combination amounted to £7,294. As of the acquisition date, the Group's best estimate of the contractual cash flow not expected to be collected amounted to zero.

5. Investments in Subsidiaries

The parent company has investments in the following subsidiary undertakings which are unlisted:

Name	Incorporation date	Country of incorporation	Registered address	Holding	Proportion of voting rights	Principal activity
Oncogeni Ltd	29 May 2019	England	85 Great Portland Street, First Floor, London, England, W1W 7LT	Ordinary shares	100%	Biotechnology research company
Lyramid Pty Limited	1 July 2016	Australia	Suite 4, 246-250 Railway Parade, West Leederville, WA 6007, Australia	Ordinary shares	100%	Biotechnology research company
Tumorkine Pty Limited	11 March 2022	Australia	Suite 4, 246-250 Railway Parade, West Leederville, WA 6007, Australia	Ordinary shares	100%	Dormant

6. Directors' and Employees' Remuneration

The aggregate remuneration comprised:

	Group Year ended 31 December 2023 £	Group Year ended 31 December 2022 £	Company Year ended 31 December 2023 £	Company Year ended 31 December 2022 £
Wages and salaries	929,019	509,301	808,135	383,350
N.I and other Social Security	98,363	33,814	98,363	33,814
Pension costs	54,949	23,804	43,460	12,270
Share-based payments	5,616	5,619	5,616	5,619
	1,087,947	572,538	955,574	435,053

Remuneration of Key Management Personnel

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Salaries and short-term employee benefits	613,000	308,692
Long term benefits	–	–
Post-employment benefits	41,700	12,162
Share based payment charge	5,616	5,619
	660,316	326,473

Key management personnel has been defined as the directors of Roquefort Therapeutics plc only.

The total remuneration of the highest paid director was £305,800 (2022: £118,305), including pension contributions of £27,800 (2022: £4,054).

Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report.

Average number of employees during the year (including Directors full time equivalent)

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Continuing operations	10	5

At 31 December 2023 the Company had nine (9) employees in total; seven (7) Directors & (2) laboratory staff.

Lyramid Pty Ltd has one (1) employee engaged in Research & Development.

Oncogeni Ltd has no employees.

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7. Revenue

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Licence revenue	200,000	–

Revenue in 2023 was fully generated in the UK and represents licencing revenue for exclusive worldwide use (excluding Japan) for certain Midkine antibodies in the field of medical diagnostics. Future revenue is subject to the reaching of certain commercial milestones with the initial £200,000 representing the initial non-refundable deposit. The Company expects the next milestone to be achieved in Q4 of 2024. The total revenue was generated from one customer.

8. Other Comprehensive Income

Items credited/(charged) to the other comprehensive income line of the statement of comprehensive income relate to the impact of foreign exchange movements on cash and cash equivalents balances. The corresponding movement is offset against the foreign exchange reserve in the statement of financial position:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Opening Balance	(14,365)	624
Foreign exchange impact	27,045	(14,989)
Closing Balance	12,680	(14,365)

9. Operating Loss

The following items have been charged to the statement of comprehensive income in arriving at the Group's operating loss from continuing operations:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Directors' and employee costs	856,333	365,564
Legal fees	28,182	46,373
Consulting and professional fees	217,876	209,768
Other expenditure	396,802	684,856
Administrative expenses	1,499,193	1,306,561
Share based payments to directors and senior management	10,402	8,427
Research and development expenditure[1]	620,159	319,315
Total operating expenditure	2,129,754	1,634,303

[1] Includes short term license expense of £178,923 for right of use of a laboratory and its equipment during the year (2022: £81,250).

During the year the Group obtained the following services from its auditor:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Audit Services		
Statutory audit – Group and Company	65,000	157,336
Non-audit services	–	–
	65,000	157,336

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The Group incurred no finance costs during the year ended 31 December 2023 (2022: £nil).

10. Taxation

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Current tax	–	–
Deferred tax	–	–
Australian R&D rebate[1]	151,359	18,886
UK R&D rebate	36,334	–
Income tax credit	187,693	18,886

[1] R&D tax rebate receivable represents refundable tax offsets, in cash, from the Australian Taxation Office ("ATO") in relation to expenditure incurred in the prior year for eligible research and development activities

Income tax can be reconciled to the loss in the statement of comprehensive income as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Loss	(1,932,233)	(1,615,417)
R&D tax rebate	(151,359)	(18,886)
	(2,083,592)	(1,634,303)
Tax at the corporation rate of 25% (2022:19%)	520,898	310,517
Effect of overseas tax rates[1]	–	21,642
Expenditure disallowable for taxation	(65,298)	(82,705)
Share based payment temporary difference on which no deferred tax asset has been recognised	(2,601)	(1,067)
Remeasurement of deferred tax for changes in tax rates	5,678	74,363
Tax losses on which no deferred tax asset has been recognised	(458,677)	(322,750)
Total tax (charge)/credit	–	–
UK	–	–
Overseas	–	–
Total tax (charge)/credit)	–	–

[1] In the current year the UK corporation tax was increased to 25% which is equal to the Australian Small Company tax rate of 25%.

The Group has accumulated tax losses of approximately £3,301,716 (2022: £1,557,117) that are available, under current legislation, to be carried forward indefinitely against future profits.

The tax losses can be broken down to the following:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Australia	(350,039)	(125,138)
United Kingdom	(2,951,677)	(1,431,979)
Carried forward tax losses	(3,301,716)	(1,557,117)

Notes to the Financial Statements

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A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of future profits. The amount of the deferred tax asset not recognised is approximately £837,982 (2022: £389,279).

	Year ended 31 December 2023 £		Year ended 31 December 2022 £	
	UK	AU	UK	AU
Opening balance	(372,176)	(31,285)	–	–
Tax effect of temporary differences:				
Accumulated losses	(392,477)	(56,225)	(357,995)	(31,285)
Deductible temporary differences	36,334	–	(14,181)	–
Deferred tax (asset) not recognised	**(728,319)**	**(87,510)**	**(372,176)**	**(31,285)**

The Company calculated the UK deferred tax balances at 25% and the Australian deferred tax balances at the current small company tax rate of 25%, which is expected to continue in future periods.

11. Earnings Per Share

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Loss attributable to equity shareholders	(1,744,540)	(1,615,417)
Weighted average number of ordinary shares	129,149,998	103,479,476
Loss per share in pence		
Basic	(1.35)	(1.56)
Diluted	(1.35)	(1.56)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

As at the end of the financial period there were 23,875,000 (2022: 35,272,000) warrants in issue.

12. Intangible Assets

	In-progress R&D £	Goodwill £	Total £
Cost			
At 1 January 2023	5,061,594	281,911	5,343,505
Acquired through asset acquisition	–	–	–
At 31 December 2023	5,061,594	281,911	5,343,505
Amortisation			
At 1 January 2023		–	–
Amortisation	–	–	–
Impairment Charge	–	–	–
At 31 December 2023	–	–	–
Carrying value			
At 31 December 2023	5,061,594	281,911	5,343,505

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	In-progress R&D £	Goodwill £	Total £
Cost			
At 1 January 2022	1,199,619	281,911	1,481,530
Acquired through asset acquisition	3,861,975	–	3,861,975
At 31 December 2022	5,061,594	281,911	5,343,505
Amortisation			
At 1 January 2022		–	–
Amortisation	–	–	–
Impairment Charge	–	–	–
At 31 December 2022	–	–	–
Carrying value			
At 31 December 2022	5,061,594	281,911	5,343,505

The Directors have concluded that there has been no impairment of the goodwill associated with the acquisition of Lyramid Pty Limited at 31 December 2023. The Goodwill represents the offsetting balance to the deferred tax liability for the acquisition of Lyramid Pty Ltd.

At 31 December 2023, the Group performed its annual impairment test in relation to intangible assets not yet available for use and identified no indicators of impairment in line with IAS 36 Impairment of Assets, as all acquired in-progress R&D programs are in active development and progressing as planned. At the test date, it was determined that due to the ongoing pre-clinical research and development in-progress R&D acquired, there was too much uncertainty to estimate a value-in-use, based on discounted future cash flows from the assets. The Group estimated fair value less costs to sell, by referring to market transactions for pre-clinical and clinical oncology drug candidates. Due to the nature of oncology drug development, the fair value is not considered to be particularly sensitive to any one underlying valuation assumption other than the ultimate outcome of drug development and commercialisation, which is binary.

Accordingly, the Group has concluded that the estimated recoverable amount of the assets did exceed the carrying amount and therefore no impairment was identified.

13. Investments

Company	Investment in Lyramid Pty Ltd £	Investment in Oncogeni Ltd £	Shares in subsidiary undertakings £
Cost at 1 January 2023	1,015,695	3,859,079	4,874,774
Additions	–	–	–
Cost at 31 December 2023	1,015,695	3,859,079	4,874,774
Impairment			
At 1 January 2023	–	–	–
Charge for the period	–	–	–
At 31 December 2023	–	–	–
Net book value at 31 December 2023	1,015,695	3,859,079	4,874,774

Notes to the Financial Statements

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Company	Investment in Lyramid Pty Ltd £	Investment in Oncogeni Ltd £	Shares in subsidiary undertakings £
Cost at 1 January 2022	1,015,695	–	1,015,695
Additions	–	3,859,079	3,859,079
Cost at 31 December 2022	1,015,695	3,859,079	4,874,774
Impairment			
At 1 January 2022	–	–	–
Charge for the period	–	–	–
At 31 December 2022	–	–	–
Net book value at 31 December 2022	1,015,695	3,859,079	4,874,774

The Directors have concluded that there has been no impairment to the investment in Oncogeni Ltd or Lyramid Pty Limited at 31 December 2023.

Impairment review disclosures required by IAS36 are included in note 12 to the financial statements.

14. Property, Plant & Equipment

Group and Company	Equipment	Total
Cost		
As at 1 January 2022	–	–
Additions	–	–
Disposals	–	–
As at 31 December 2022	–	–
Additions	54,042	54,042
Disposals	–	–
As at 31 December 2023	54,042	54,042
Accumulated depreciation		
As at 1 January 2022	–	–
Charge for the period	–	–
Disposals	–	–
As at 31 December 2022	–	–
Charge for the period	(3,890)	(3,890)
Disposals	–	–
As at 31 December 2023	(3,890)	(3,890)
Net book value		
As at 31 December 2022	–	–
As at 31 December 2023	50,152	50,152

As at 31 December 2023 the Group did not have any right to use assets.

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15. Trade and Other Receivables

	Group 31 December 2023 £	Group 31 December 2022 £	Company 31 December 2023 £	Company 31 December 2022 £
Other receivables	105,242	45,124	95,054	–
Prepayments and accrued income	52,347	56,614	29,934	64,309
	157,589	101,738	124,988	64,309

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

No receivables were past due or impaired at the year end.

16. Cash and Cash Equivalents

	Group 31 December 2023 £	Group 31 December 2022 £	Company 31 December 2023 £	Company 31 December 2022 £
Cash at bank and in hand	537,322	2,322,974	301,674	2,274,478

The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

17. Trade and Other Payables

	Group 31 December 2023 £	Group 31 December 2022 £	Company 31 December 2023 £	Company 31 December 2022 £
Trade creditors	144,841	68,379	82,058	26,210
Accruals and other creditors	162,273	211,291	100,854	157,594
	307,114	279,670	182,912	183,804

The fair value of trade and other payables approximates their current book values.

18. Deferred Tax Liabilities

	Group £	Company £
At 1 January 2022	281,911	–
Released in year	–	–
Additions	–	–
At 31 December 2022	281,911	–
At 1 January 2023	281,911	–
Additions	–	–
At 31 December 2023	281,911	–

Deferred tax liability is the expected tax implication from the amortisation of the intangible asset acquired as part of the Lyramid Pty Ltd transaction.

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19. Share Capital

	Issued and fully paid			
Group and Company	Ordinary Shares No.	Share Capital £	Share Premium £	Total £
As at 1 January 2022	71,900,000	719,000	3,460,595	4,179,595
Issue of ordinary shares[1]	50,000,000	500,000	–	500,000
Issue of ordinary shares[2]	7,249,998	72,500	942,499	1,014,999
As at 31 December 2022	129,149,998	1,291,500	4,403,094	5,694,594
As at 31 December 2023	129,149,998	1,291,500	4,403,094	5,694,594

[1] On 16 September 2022, the Company issued 50,000,000 ordinary shares of £0.01 to acquire Oncogeni Ltd, recorded at the market price of £0.075 per share.
[2] On 16 September 2022, the Company issued 7,249,998 ordinary shares of £0.01 for cash at a placing price of £0.14 per share.

20. Share Based Payment Reserves

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel and external parties as part of their remuneration.

Group and Company	2023 £	2022 £
Opening balance	375,135	366,708
NED and Advisor warrants issued[1]	10,402	8,427
At 31 December	385,537	375,135

[1] On 26 June 2022, Ms Jean Duvall, Dr Simon Sinclair and Professor Trevor Jones were awarded 300,000 NED and Advisor warrants each. These warrants entitle the warrant holder to subscribe for one ordinary share at £0.15 per ordinary share. 50% Warrants are exercisable one year after grant date with the remaining balance exercisable two years after grant date (April 2024). The expense in 2023 represents the warrants that have vested in the current year.

The fair value of the services received in return for the warrants granted are measured by reference to the fair value of the warrants granted. The estimate of the fair value of the warrants granted is measured based on the Black-Scholes valuations model. Measurement inputs and assumptions are as follows:

Warrant	Number of warrants	Share Price	Exercise Price	Expected volatility	Expected life	Risk free rate	Expected dividends
Director	750,000	£0.05	£0.05	50.00%	5	0.15%	0.00%
Director	750,000	£0.05	£0.10	50.00%	5	0.15%	0.00%
Broker Placing	480,000	£0.05	£0.05	50.00%	3	0.15%	0.00%
Completion	3,000,000	£0.10	£0.10	50.00%	3	0.15%	0.00%
Senior Mgt	4,500,000	£0.10	£0.15	50.00%	5	0.15%	0.00%
Optiva	1,320,000	£0.10	£0.10	50.00%	3	0.15%	0.00%
Orana	175,000	£0.10	£0.10	50.00%	3	0.15%	0.00%
NED and Advisor	900,000	£0.08	£0.15	50.00%	5	0.15%	0.00%
TOTAL	11,875,000						

Warrants	Number of Warrants	Exercise Price	Expiry date
As at 1 January 2022	34,475,000	£0.105	–
Issued on 28 April 2022[1]	900,000	£0.15	28 April 2027
At 31 December 2022	35,375,000	£0.106	
Expired during the year	(11,500,00)	£0.102	21 March 2023
As at 31 December 2023	23,875,000	£0.109	

[1] 50% of the warrants vest on 28 April 2023 and the remainder vest on 28 April 2024

The weighted average time to expiry of the warrants as at 31 December 2023 is 3.99 years (2022: 3.10 years). Of the total number of options outstanding at 31 December 2023, 23,425,000 (2022: 34,475,000) had vested and were exercisable

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The expected volatility was calculated using the Exponentially Weighted Moving Average Mode. Due to limited trading history comparable listed peer company information was used.

21. Merger Relief Reserve

Under Companies Act Section 612, Merger relief reserve applies when a company has secured at least a 90% equity holding in another company in return for an allotment of equity shares in the issuing company. It requires that section 610 does not apply to the premium on those shares (i.e. no share premium recognised) and instead a Merger relief reserve is recognised.

Group and Company	£
At 1 January 2022	450,000
Acquisition of Oncogeni Ltd[1]	3,250,000
At 31 December 2022	3,700,000
At 31 December 2023	3,700,000

[1] The issue on 16 September 2022 of 50,000,000 new shares relating to the acquisition of Oncogeni Ltd. The reserve reflects the difference between the nominal value of shares at the date of issue of £0.01 and the share price immediately preceding the issue of £0.75 per share. The shares issued formed part of the consideration for the acquisition of 100% of the equity of Oncogeni and therefore qualify for merger relief.

22. Financial Instruments and Risk Management

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, commodity and liquidity risks. The management of these risks is vested to the Board of Directors.

The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole period. In all cases presented, a negative number in profit and loss represents an increase in finance expense / decrease in interest income.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Group are bank balances. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings, and the Directors consider the credit risk to be minimal.

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The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	Carrying value at 31 December 2023 £	Maximum exposure at 31 December 2023 £
Trade receivables	–	–
Other receivables	105,242	105,242
Cash and cash equivalents	537,322	537,322
	642,564	642,564

	Carrying value at 31 December 2022 £	Maximum exposure at 31 December 2022 £
Trade receivables	56,614	56,614
Other receivables	45,124	45,124
Cash and cash equivalents	2,322,974	2,322,974
	2,424,711	2,424,711

Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Group's functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in Australian Dollars. Accordingly, movements in the Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition.

Currency risk is managed by maintaining some cash deposits in currencies other than Sterling.

The table below shows the currency profiles of cash and cash equivalents:

Cash and cash equivalents	At 31 December 2023 £	At 31 December 2022 £
Sterling	501,373	2,279,240
Australian Dollars	34,825	43,734
US Dollars	1,124	–
	537,322	2,322,974

	At 31 December 2023 £		At 31 December 2022 £	
	+10% weaker	(10%) stronger	+10% weaker	(10%) stronger
Net Loss[1]	(22,276)	22,276	(34,181)	34,181
Carrying value of net assets[2]	(4,749)	4,749	(594)	594

[1] 10% weaker relates to the Great British Pound weakening against the currency and therefore the Group would incur greater *expenditure in its functional currency*

[2] 10% weaker relates to the Great British Pound weakening against the currency and therefore the net *liabilities (excluding intercompany borrowings) denominated in AUD will increase*

Notes to the Financial Statements

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Foreign currency sensitivity analysis

As at 31 December 2023, the sensitivity analysis assumes a +/-10% change of the AUD/GBP, exchange rates, which represents management's assessment of a reasonably possible change in foreign exchange rates (2022: 10%). The sensitivity analysis was applied on net loss on the Australian operations and the carrying value of financial assets and liabilities.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The principal current asset of the business is cash and cash equivalents and is therefore the principal financial instrument employed by the Group to meet its liquidity requirements. The Board ensures that the business maintains surplus cash reserves to minimise any liquidity risk.

The financial liabilities of the Group and Company, predominantly trade and other payables, are mostly due within 3 months (2022: 3 months) of the Consolidated Statement of Financial Position date; therefore, the undiscounted amount payable is the same as their carrying value. Further analysis of the lease commitment is provided in note 24. All other non-current liabilities are due between 1 to 5 years after the period end. The Group does not have any borrowings or payables on demand which would increase the risk of the Group not holding sufficient reserves for repayment.

The Group had cash and cash equivalents at period end as below:

	At 31 December 2023 £	At 31 December 2022 £
Cash and cash equivalents	537,322	2,322,974
	537,322	2,322,974

Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	At 31 December 2023 £	At 31 December 2022 £
Bank balances	537,322	2,322,974
	537,322	2,322,974

The Group does not currently earn interest on its cash deposits.

Notes to the Financial Statements

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23. Financial Assets and Financial Liabilities

Group 31 December 2023 Financial assets/liabilities	Financial Assets At amortised Cost £	Financial Liabilities At amortised Cost £	Total £
Trade and other receivables	70,243	–	70,243
Cash and cash equivalents	537,322	–	537,322
Trade and other payables	–	(307,114)	(307,114)
	607,565	(307,114)	300,451

Group 31 December 2022 Financial assets/liabilities	Financial Assets At amortised Cost £	Financial Liabilities At amortised Cost £	Total £
Trade and other receivables	101,738	–	101,738
Cash and cash equivalents	2,322,974	–	2,322,974
Trade and other payables	–	(279,670)	(279,670)
	2,424,712	(279,670)	2,145,042

Company 31 December 2023 Financial assets/liabilities	Financial Assets At amortised Cost £	Financial Liabilities At amortised Cost £	Total £
Trade and other receivables	95,054	–	95,054
Intercompany receivables	812,951	–	812,951
Cash and cash equivalents	301,674	–	301,674
Trade and other payables	–	(182,912)	(182,912)
	1,209,679	(182,912)	1,026,767

Company 31 December 2022 Financial assets/liabilities	Financial Assets At amortised Cost £	Financial Liabilities At amortised Cost £	Total £
Trade and other receivables	64,309	–	64,309
Intercompany receivables	451,622	–	451,622
Cash and cash equivalents	2,274,478	–	2,274,478
Trade and other payables	–	(183,802)	(183,802)
	2,790,409	(183,802)	2,606,607

24. Commitments

	At 31 December 2023 £	At 31 December 2022 £
Committed at the reporting date but not recognised as liabilities, payable:		
Laboratory rental	–	37,500
Research & Development	20,619	105,655

Notes to the Financial Statements

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25. Contingent Liabilities

The purchase agreement for Lyramid Pty Ltd in December 2021 included an additional contingent deferred consideration to the Seller to be satisfied in the form of Ordinary Shares as follows:

(a) if prior to fifth anniversary of Admission (on 21 December 2021), the Company's market capitalisation exceeds £25,000,000 for a period of 5 or more consecutive trading days the Company shall issue to the Seller (or its nominee) 5,000,000 Ordinary Shares; and

(b) if prior to fifth anniversary of Admission (on 21 December 2021) the Company's market capitalisation exceeds £50,000,000 for a period of 5 or more consecutive trading days the Company shall issue to the Seller (or its nominee) a further 5,000,000 Ordinary Share. The fair value of contingent deferred consideration was estimated to be nil at acquisition, at 31 December 2022 and at 31 December 2023.

As there is inherent uncertainty as to when, and if, the milestone will be achieved the Group has disclosed the amount as a contingent liability as at year end.

There were no other contingent liabilities at 31 December 2023 or 31 December 2022

26. Related Party Transactions

In 2023 £177,942 was paid to Cell Therapy Ltd, a Company in which CEO Ajan Reginald is also a Director, for the recharge of a license to use a laboratory with equipment and associated running costs including electricity and cleaning (2022: £122,518). As at 31 December 2023, the Company owed Cell therapy £22,329 (2022: £15,043).

27. Post Reporting Date Events

There have been no significant events subsequent to 31 December 2023.

28. Ultimate Controlling Party

As at 31 December 2023, there was no ultimate controlling party of the Company.

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