e therapeutics™

Computing the future of medicine™

e-therapeutics plc
Annual report and accounts 2024

We integrate computational power and biology to discover life-transforming RNAi medicines.

Vision

Solve human disease through computation

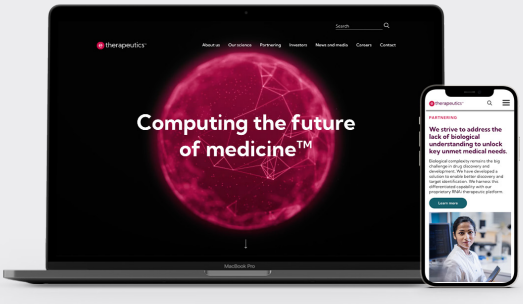
Mission

Integrate computational power and biological data to discover life-transforming RNAi medicines

Purpose

Build an in-house pipeline of more effective medicines at a greater speed and significantly reduced costs compared to industry standards

Contents



To view our site visit:
www.etherapeutics.co.uk

Operational highlights

Pipeline

- Unveiled a therapeutic pipeline of five GalOmic™ RNA interference (RNAi) programs spanning a variety of therapeutic areas with high unmet need.
- Completed positive preclinical proof-of-concept data packages for four GalOmic™ assets.
- Selected two assets for progression towards the clinic, with IND-enabling studies to commence in due course: ETX-312 for the treatment of metabolic dysfunction-associated steatohepatitis (MASH) and ETX-407 for dry age-related macular degeneration.

Data

- Expansion of data on metabolic dysfunction and associated fatty liver disease through strategic collaboration with Arcturis Data (Arcturis) to integrate Arcturis' high quality, clinically rich real-world evidence (RWE) patient data within HepNet™.
- Generation of a wealth of in-house experimental data significantly expanding the proprietary datasets that feed into HepNet™.

Computation

- Advanced projects developing and implementing large language models (LLMs) across e-therapeutics' processes and systems, further enhancing computational capabilities.
- Continued to leverage our HepNet™ computational platform, including network analytics, a hepatocyte-specific knowledge graph, and predictive short interfering RNA (siRNA) construct design capabilities to rapidly develop life-transforming RNAi therapies.
- Last near-term milestone successfully achieved in collaboration with iTeos Therapeutics in immuno-oncology, resulting in an additional payment to the Company and further validating its computational approach to identifying novel targets.

Intellectual property (IP)

- Sustained IP activity with priority patent applications filed on nine further inventions, and international patent applications filed for eight inventions arising from the Company's proprietary GalNAc-siRNA technology, GalOmic™.

People

- Continued investment in leading industry talent, including new hires on the East Coast of the USA, a major biotech hub.
- Effective 20 September 2023, Timothy Bretherton assumed the role of Chief Financial Officer (CFO, non-Board).

Post period highlights

- Successful fundraise of £28.9 million announced in April 2024 by way of a subscription by funds managed by M&G Investment Management Limited and Richard Griffiths, both existing shareholders of the Company.
- Completed cancellation of admission of our Ordinary Shares to trading on AIM as of 9 May 2024.
- Strengthened the Board of Directors with the appointment of Lord David Prior as Chair, as of 23 May 2024.

Financial highlights

Revenue

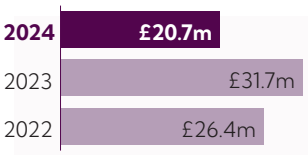
£0.3m

Average headcount

35

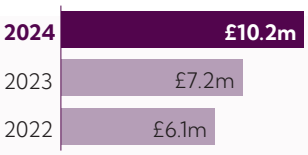
Year-end cash*

£20.7m



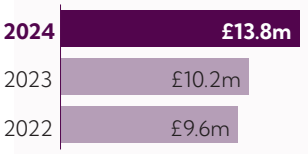
R&D spend

£10.2m



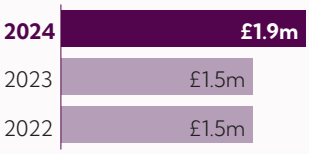
Operating loss

£13.8m



R&D tax credit receivable

£1.9m



* Year-end cash and short-term investment bank deposits.

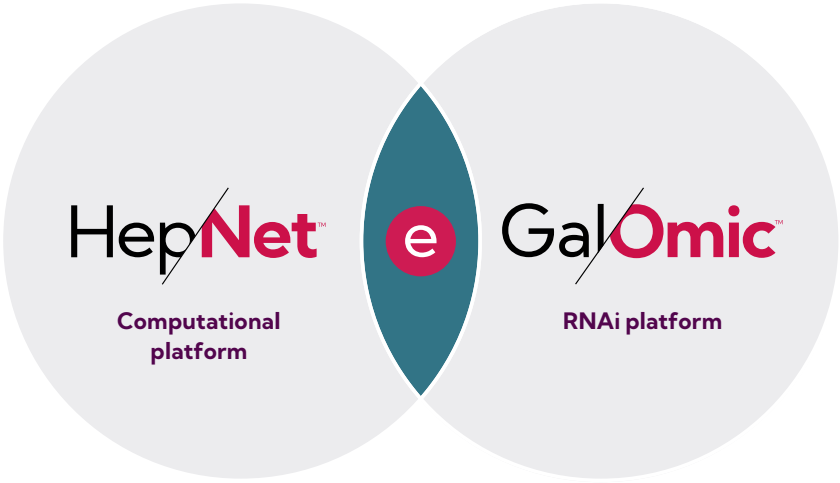
Better medicines faster

To materially increase the likelihood of successfully developing effective medicines it is essential to overcome some fundamental obstacles in drug development:

Biology	Druggability	Efficiency	Novelty
Limited understanding of human biology across the biopharma industry	Conventional modalities are often challenged by an inability to design and develop a drug despite having identified a potential target	The R&D process is slow and expensive with poor methods of de-risking therapeutic hypotheses early	New target discovery remains rare, with crowded competitive landscapes around the same established targets

e-therapeutics has developed a powerful validated platform approach to help overcome these obstacles. By uniquely connecting the worlds of computation and RNA interference (RNAi) we can rapidly generate and prosecute previously undiscovered potential drug candidates in a reproducible and translatable way.

The medicines we create are focused on silencing genes expressed in hepatocytes (liver cells) which perform key functions in biological processes vital for human health and represent important targets for a broad range of diseases.



HepNet™

Our **hepatocyte-focused computational platform** that enables identification of novel gene targets, improves drug design, and increases automation.

GalOmic™

Our proprietary **RNAi platform** that generates potent and safe GalNAc-siRNA therapeutics to selectively silence novel disease-associated genes in hepatocytes.

Our GalOmic™ RNAi platform is underpinned by proprietary siRNA chemistry knowledge and intellectual property, enabling creation of potent and durable GalNAc-siRNA therapies. Our HepNet™ computational platform is formed of a vast hepatocyte-specific knowledgebase and advanced computational approaches that are implemented across the entire drug development process, from the identification of novel gene targets to the *in silico* design of GalOmic™ constructs. Together, GalOmic™ and HepNet™ allow us to rapidly discover and develop life-transforming medicines for patients.

Our investment case

1

Unique market position

Our highly differentiated market position combining computation and AI with the RNAi therapeutic modality enables us to consistently develop therapies at the fastest pace and lowest development cost currently available in the industry.

2

Well-established computational platform

We have extensive experience using computation to model complex biology. This specialist expertise and proprietary computational technology underpin HepNet™, our world-class hepatocyte-focused computational platform that drives every stage of our drug development process.

3

Expanding therapeutic pipeline

We have a growing in-house pipeline of compelling "first-on-target" GalOmic™ candidates across a wide range of disease areas with high unmet need. These assets are being rapidly progressed towards the clinic, with our most advanced assets currently progressing to IND-enabling studies.

4

Demonstrable speed of execution

Through the unique combination of computation and RNAi, we progress assets from target identification to beginning of preclinical proof-of-concept experiments in less than six months. This enables us to identify clinical candidates in under a year. We continually leverage cutting-edge developments in computation to further reduce R&D timelines.

5

Single-cell focus advantage

Hepatocyte-targeted interventions offer the opportunity to address a large variety of diseases through access to thousands of gene targets, while avoiding side effects caused by systemic knockdown. This also allows us to focus on highly specific datasets and tools that promote superior computational depth and accuracy.

6

High barrier to entry

In addition to the need for proprietary computational methods, operating in the field of RNAi requires a high degree of technical, platform and IP know-how. We have deep expertise in the space across biology, chemistry, and IP.

A year of tangible advancement

This year was marked by significant scientific advancements and financial resilience, all of which underscore the Company's commitment to redefining the landscape of RNAi therapeutics through computational and AI-driven innovations.

Lord David Prior
Independent Non-Executive Chairman

I am delighted to present this statement on behalf of the Board of e-therapeutics (ETX). However, as I joined the Board very recently, I cannot take any credit for what follows.

This year was marked by significant scientific advancements and financial resilience, all of which underscore the Company's commitment to redefining the landscape of RNAi therapeutics through computational and AI-driven innovations.

Realising the potential of AI and RNAi

This year ETX announced its GalOmic™ therapeutic pipeline, the tangible product of its innovative approach to drug development. The Company is successfully prosecuting multiple GalOmic™ assets targeting novel genes, distinguishing it from other RNAi therapeutics companies with vastly overlapping pipelines. Notably, ETX-407 and ETX-312 are now progressing to IND-enabling studies after demonstrating significant potential in addressing unmet needs in dry age-related macular degeneration (dry AMD) and metabolic dysfunction-associated steatohepatitis (MASH) respectively. This highlights ETX's commitment to strategic investment in the progression of specific assets towards the clinic, enabling higher value partnering opportunities. These achievements, alongside the successful completion of preclinical proof-of-concept studies in representative disease models for ETX-148 (for the treatment of haemophilia and bleeding disorders) and ETX-291 (for the treatment of cardiometabolic disease), mark critical milestones in the Company's quest to deliver transformative RNAi treatments to patients.

This impressive and rapid progression of assets is a direct result of ETX's unique combination of RNAi as a genetic medicine modality and the HepNet™ computational platform. Together, this creates a reproducible drug development engine that has thus far yielded an outstanding success rate. The Company continues to apply AI approaches at all stages of discovery and development, from novel target gene identification to siRNA sequence design, improving efficiency at every step.

The integration of large language models (LLMs) into HepNet™ will further accelerate the development of life-transforming RNAi medicines. The Company has spent the last year identifying the most impactful use cases for LLM agents whilst developing the necessary infrastructure and models. This period of development will enable a smooth transition into the implementation phase of the projects during the next year. Unlike other companies leveraging the recent developments in AI, ETX has a robust starting position in applying computation to biology and a huge breadth of proprietary hepatocyte-specific data. LLM technology may be widely available, but ETX has the expertise and data to enable effective, tailored, and meaningful application.

People and culture

During the past year ETX has strengthened the team with additional hires in the East Coast of the United States, creating a hub in the thriving biotech community in Boston. Across the Company, ETX continues to drive a dynamic environment that allows the team to pursue innovative ideas and take advantage of cutting-edge technology, as demonstrated by the ability to leverage the latest advancements in LLMs quickly once the technology had sufficiently matured. This has been further enhanced by the decision to return to the London office four days a week with US colleagues visiting regularly, allowing the team to collaborate and communicate with ease.

Financial position

Financially, the Company has demonstrated remarkable resilience. Closing the year with a cash position of £20.7m is a testament to its prudent financial and operational management. In Q4, the Company achieved its final near-term success milestone from its collaboration with iTeos, further strengthening its financial position. This strong financial footing enables the Company to continue its ambitious research and development efforts, even in the face of challenging macroeconomic and sector conditions.

Post period

Following the conclusion of the 2023/24 financial year, ETX has continued to make significant strides. In April 2024, the Company announced a proposed raise of £28.9 million through a subscription by M&G Investment Management Limited and Richard Griffiths. The net proceeds will advance multiple GalOmic™ pipeline assets towards the clinic, initiate clinical trials for one program, and pursue further candidate compounds. This funding will also accelerate the integration of AI systems into HepNet™.

Additionally, the Company announced its decision to delist from the London Stock Exchange's Alternative Investment Market (AIM). This move was influenced by the lack of institutional UK interest during a recent raise roadshow and feedback indicating a preference for private or NASDAQ-listed companies. Transitioning away from AIM is expected to attract a broader and more receptive investor base, aligning with ETX's strategic goals.

Looking ahead

As we move into 2024, we do so with great confidence and a clear plan. The progress the Company has made positions us strongly to advance our assets towards the clinic, with the ultimate goal of delivering life-transforming therapies to patients. The Company's success is a collective achievement, made possible by the hard work and talent of its team, the trust of its partners, and the strong, long-term support of its shareholders. I would also like to take this opportunity to particularly thank Professor Trevor Jones for his enormous contribution. I look forward to continuing to work with him and the rest of the Board to help e-therapeutics achieve its strategic goals.

On behalf of the Board, I extend our deepest gratitude for your continued support. Together, we are entering a new phase in medicine, driven by the powerful combination of computation and RNAi. We look forward to sharing our journey with you in the year ahead and beyond.

Lord David Prior

Independent Non-Executive Chairman
5 June 2024

Q&A with David

Q What differentiates e-therapeutics from other AI-led biotech companies?

A e-therapeutics is the only company combining a dedicated in-house effort in advanced computation with siRNA, a well-tolerated and highly specific modality. This unique combination has enabled the Company to create something extremely rare – a reproducible drug development engine that leads to fast clinical candidate generation. In addition, e-therapeutics' extensive experience in computational biology means the Company is well positioned to leverage new developments in the space quickly, as exemplified by the ongoing integration of specialist LLM agents into the HepNet™ platform.

Q What do you think is limiting RNAi's potential to become the next big modality?

A RNAi is a very attractive modality. siRNA-based medicines are safe, clinically validated and dosed infrequently by subcutaneous injection. However, many RNAi biotech companies have difficulty identifying novel targets with disease-modifying potential, resulting in a high degree of overlap between pipelines. This on-target competition and limited innovation, particularly in the GalNAc-siRNA space, give the appearance of limited potential. Through use of its HepNet™ computational platform, e-therapeutics proves that the modality enables access to a wide variety of opportunities, even when focused on a single cell type, hepatocytes.

Q How has e-therapeutics' in-house therapeutic pipeline developed over the last year?

A After a period of focus, e-therapeutics has now publicly announced its therapeutic pipeline of five preclinical GalOmic™ assets. The pipeline spans a variety of therapeutic areas, from prevalent cardiometabolic disease to rare haematology, owing to the wide influence the liver has throughout the body. During the year e-therapeutics progressed four assets to the end of preclinical proof-of-concept and are advancing two of these programs to IND-enabling studies. ETX-258 has progressed from target nomination to drug design and will soon be entering disease models relevant to its undisclosed indication. In addition, the Company has a pool of further targets undergoing target-indication assessment that will keep its early pipeline populated. Together, this progress, which has been achieved by a lean team, demonstrates the Company's ability to develop GalOmic™ RNAi assets at pace, driven and supported by insights from HepNet™.

A positive year

"The potential of e-therapeutics as a biotech company that fully integrates the latest advances in computation and artificial intelligence is clear, ultimately leading to the development of life-transforming RNAi medicines for patients.

Ali Mortazavi
Chief Executive Officer

2023/24 has been an important year for e-therapeutics, marking the beginning of a period of effective execution in advancing our therapeutic pipeline. Over the past 12 months we have delivered solid pipeline progress, generating positive preclinical proof-of-concept data for four GalOmic™ RNAi assets. Data generated on our GalOmic™ assets have also further validated HepNet™'s ability to identify novel gene targets with disease-modifying potential and design potent, long-acting siRNA constructs *in silico*. Taken together, this demonstrates, with multiple case studies, the validity of our business model and confirms the robustness of our strategy since the pivot to the RNAi drug modality. The potential of e-therapeutics as a biotech company that fully integrates the latest advances in computation and artificial intelligence is clear, ultimately leading to the development of life-transforming RNAi medicines for patients.

Therapeutic pipeline

We have made exciting progress in advancing our pipeline of novel and highly differentiated RNAi therapies. The positive proof-of-concept data generated in the past year has confirmed our ability to develop RNAi therapies with disease-modifying potential across a broad range of therapeutic areas. We progressed our most recent programs from target nomination to completion of preclinical proof-of-concept within 12 months, an impressive improvement on the industry standard. Our current pipeline spans indications within cardiometabolic disease, haematology, and ophthalmology, showcasing the breadth of diseases that can be treated with hepatocyte-targeted therapies.

ETX-407 for the treatment of dry age-related macular degeneration (dry AMD) exemplifies our ability to impact diseases affecting organs beyond the liver. Dry AMD is a highly prevalent disease, affecting approximately 176 million people globally with 16% progressing to legal blindness within two years. Current treatments are highly invasive, administered weekly by intravitreal injection (directly into the eye). Preclinical data suggests that ETX-407 could be dosed quarterly by subcutaneous injection, providing a much lower burden option for the millions that suffer from dry AMD.

We also remain focused on the cardiometabolic space, through the development of ETX-312 for the treatment of metabolic dysfunction-associated steatohepatitis (MASH) and ETX-291 for the treatment of cardiometabolic disease. MASH is an area that has seen significant activity over recent months in terms of clinical readouts and large business development transactions. There is now one treatment approved for the indication, but many patients that take it do not achieve clinically meaningful outcomes. In addition, current data suggests that there are still a significant number of patients that do not meet primary endpoints in clinical trials of emerging therapies. Preclinical data from an industry-leading diet-induced obesity (DIO) model of MASH showed that ETX-312 administration leads to an impressive reduction in hepatic steatosis and inflammation, the key drivers of MASH pathophysiology. To account for the role that combination treatments will likely play in the future

treatment of MASH, ETX-312 was also assessed in combination with emerging treatments. This included a combination with GLP-1 receptor agonists which resulted in increased efficacy compared to either therapy alone. We consider these results to be extremely significant in the context of the approved and emerging MASH treatment landscape and we look forward to presenting further data in the near future. Should the preclinical data from ETX-312 translate to humans, this asset could become part of the future standard of care for patients with MASH.

During the year we also completed preclinical proof-of-concept packages for ETX-291 for the treatment of cardiometabolic disease and ETX-148 for the treatment of haemophilia. ETX-291 targets a gene with human genetic evidence of disease-modifying benefit. Cardiometabolic disease is driven by a multitude of different factors, meaning considerable cardiovascular risk remains when patients are treated with therapies affecting a single risk factor. The residual risk is often attributed to a complicated network of overlapping factors, highlighting the need for therapies with a pleiotropic effect. In preclinical studies in a representative disease model, ETX-291 impacted multiple cardiometabolic disease drivers, meaning it has the potential to treat a broad range of cardiometabolic indications.

ETX-148 is being developed as a safe and effective treatment for haemophilia A and B, and potentially other bleeding disorders. Despite there being several approved therapies in the space, recent studies have shown that significant unmet need remains, including high treatment burden and impact on quality of life. Histological data from a preclinical haemophilia joint bleed (haemarthrosis) model suggests ETX-148 can effectively protect against joint damage due to bleeding. Joint bleeds make up 70–80% of all bleeds in haemophilia. In addition, ETX-148 could be dosed quarterly by subcutaneous injection, offering a low burden treatment option. Extensive safety experiments have shown that prophylactic ETX-148 treatment is also compatible with emergency haemophilia treatments such as factor VIII, factor IX, and bypassing agents, without increasing thrombotic risk. The proof-of-concept data generated indicates that ETX-148 has the potential to be an effective pan-haemophilia therapy with low treatment burden and the option to safely take emergency treatments if needed, in line with our target product profile for this asset.

In our January business update we announced a crucial step forward as a company: our plan to progress two of our GalOmic™ assets into IND-enabling studies. We will be conducting these studies in a staggered fashion. ETX-312 IND-enabling studies have now commenced and ETX-407 will follow in due course. This demonstrates our ongoing commitment to creating a balanced pipeline across several therapeutic areas, comprised of preclinical assets to partner early and assets that we will progress to early clinical trials to reach a more significant value inflection point, retaining more value. Non-dilutive funding opportunities via partnerships remain a key component of our strategy and data generated on our first few GalOmic™ RNAi programs is validating our platforms.

Q&A with Ali

Q Are you limited by only targeting genes in the liver?

A No – we have 16,000 hepatocyte-expressed genes in our knowledgebase which could be targeted by our GalOmic™ RNAi therapies. Many genetic medicine competitors continue to target the same, obvious genes, but we can identify novel targets with disease-modifying potential, something that cannot be easily achieved with traditional drug discovery approaches. In addition, hepatocytes interact with a wide variety of cells and tissues across the body, allowing us to impact a wide variety of diseases beyond the liver, as exemplified by our haemophilia (ETX-148) and dry age-related macular degeneration (ETX-407) programs.

Q What is e-therapeutics' indication strategy?

A We develop therapies for any disease that has high unmet medical need. Our pipeline includes therapies for both rare and prevalent indications across a wide variety of disease areas, demonstrating the versatility of our liver-targeting RNAi therapies. Before target-indication pairs enter our pipeline, we assess the current and emerging treatment landscape to ensure that there is sufficient unmet need that could be addressed with a GalOmic™ RNAi asset. This means we always aim for our medicines to be life transforming, whilst also de-risking our investment in the development process.

Q How do your computational approaches improve the drug development process?

A Our HepNet™ computational platform enables us to make better medicines faster through generation of novel insights and increased automation across all stages of drug development, from the identification of novel targets to *in silico* design of preclinical siRNA constructs. This has resulted in tangible improvements on the traditional drug discovery process. For example, we have been able to significantly reduce costs associated with development by minimising the number of sequences requiring *in vitro* screening through use of our AI siRNA design and efficacy prediction model.

Therapeutic pipeline continued

Our earlier pipeline opportunities include ETX-258, which is progressing in an undisclosed indication and we hope to reveal further details about this program within the next year. In addition, we have multiple novel gene targets currently under evaluation, providing a constant supply of pipeline program opportunities that can be pursued.

HepNet™: expanding our knowledgebase and integration of LLMs

Our therapeutic pipeline is underpinned by our HepNet™ computational platform, which we continually innovate on, iterate, and improve. HepNet™ can be divided into four core layered capabilities which access the extensive proprietary and public data foundation within the platform: network analytics, a hepatocyte-specific knowledge graph, AI-driven siRNA design, and a recently developed hepatocyte-specific LLM agent ecosystem.

Through application of our network analytics to our world-class hepatocyte knowledgebase and leveraging our knowledge graph, we have been able to identify novel, disease-modifying gene targets with an impressive success rate. All nominated pipeline targets investigated to date have yielded positive results in preclinical studies, which we attribute to the successful combination of artificial intelligence and our proprietary RNAi drug platform.

Our network approach to target identification allows us to account for the true complexity of disease biology, meaning we can nominate target-indication pairs with confidence.

We also continually expand HepNet™'s foundational data, as exemplified by our collaboration with Arcturis Data to integrate Arcturis' Real-World Evidence (RWE) within HepNet™. Arcturis' RWE utilises a platform comprised of high quality, clinically rich real-world data and analytical expertise derived from its unique access to anonymised patient data. This data will give us further unique insights into the biological mechanisms driving metabolic dysfunction and associated fatty liver disease that we can target to deliver effective RNAi medicines to patients.

In last year's Annual Report, I announced our intention to leverage the recent advances in LLMs and integrate them within HepNet™. A key focus of the past year has been identifying use cases for which we can develop LLM agents to significantly improve laborious processes or materially enhance our pre-existing computational approaches. This has led to the initiation of a variety of projects, including the enhancement of our AI siRNA design and efficacy prediction model. This model is already capable of designing and predicting the most potent and long-acting GalOmic™ siRNA sequences *in silico*, significantly reducing the number of siRNA sequences screened *in vitro* and reducing cost of development.

KPIs

Pipeline

5
GalOmic™ RNAi programs currently in preclinical development

4
GalOmic™ assets with preclinical proof-of-concept data

2
programs progressing to IND-enabling studies in house

Multiple
target-indication pairs in viable target pool

1000s
of accessible target genes in multiple disease areas

Technology

14m
hepatocyte-specific data points

20,000
coding and non-coding genes in knowledgebase

3,000
hepatocyte-associated diseases in knowledgebase

Outperformance
of proprietary network algorithms against industry standards

Millions
of hypotheses identified and tested *in silico*

The addition of an LLM agent will further enhance our predictive power with the ultimate goal of bypassing *in vitro* screening, further reducing timelines and costs associated with development.

In addition, we will be using LLM agents to improve the target-indication pair assessment that each novel gene target undergoes before it enters our target pool and is nominated. This process ensures that each pipeline program is initiated with confidence in biology, developability, and commercial tractability, ensuring that asset risk is diversified across our therapeutic pipeline. A specialist LLM agent is being developed that will be trained on relevant data sources, increasing the speed and scale of assessment. This agent will surpass previous methods of target-indication pair assessment which are largely manual and time consuming. We expect this development to drive significant growth of our viable target pool.

Over the past year we have invested heavily in LLM infrastructure, and model development and refinement. This fundamental foundational work will allow us to continue seamlessly integrating LLM agents into HepNet™'s processes and I look forward to being able to update you on this exciting progress soon.

In terms of external validation of our computational methods, we successfully achieved our final near-term milestone from our collaboration with iTeos in immuno-oncology, as announced in January. The Company is eligible to receive further payment if our discoveries are pursued further by iTeos. This successful partnership with iTeos provides additional evidence of the power of our computational approaches to drug discovery that are embedded in HepNet™.

Intellectual property

The Company continues to execute on its active IP strategy that is indicative of both the high volume of novel innovations being generated and the critical importance ETX attributes to protecting its inventions. The patent applications filed over the period 31 January 2023 to 31 January 2024 cover 17 inventions arising from the Company's innovation around novel target genes, novel siRNA therapeutics, and novel siRNA chemistries. In addition, the Company continues to carry out regular freedom to operate (FTO) searches and analysis.

Organisation

We continue to invest in leading biotech talent, building on our multi-disciplinary team of experts in computation and RNAi therapeutics. This is exemplified by our recent hires in the USA, driven by our desire to hire the best talent and resulting in a strategic and lean presence on the East Coast.

In September 2023, we announced that Michael Bretherton had stepped down from his role as interim CFO and will now focus on his role as a Non-Executive Director of the Company. Timothy Bretherton, Director of Finance and Operations, assumed the CFO role (non-Board).

In November 2023, we sadly and unexpectedly lost Alison Gallafent, our Chief Intellectual Property Officer. Alison joined the Company in June 2021, and was fundamental in building our robust GalOmic™ intellectual property portfolio as we pivoted from small molecules to RNAi. She was a wonderful colleague and is greatly missed by all at ETX.

Post period

In April 2024, we announced a proposed raise of £28.9 million before expenses by way of a subscription by funds managed by M&G Investment Management Limited and Richard Griffiths, existing shareholders. The net proceeds will be used to advance multiple GalOmic™ pipeline assets towards the clinic, initiate clinical trials for one program, and pursue further candidates. The strengthened cash position will also enable the accelerated development and integration of cutting-edge AI systems into HepNet™.

Additionally, we delisted from the London Stock Exchange's Alternative Investment Market (AIM). During a February/March 2024 roadshow, the Board was disappointed by the lack of UK institutional interest in our innovative, technology-driven value propositions. Importantly, ETX struggled to get sufficient engagement from the vast majority of the institutions who were approached, reflecting the risk appetite of the UK markets. This was further supported by feedback which indicated a preference for private or NASDAQ-listed companies, suggesting a limited audience for ETX on AIM. We believe this transition will better position us to attract a broader and more receptive investor base.

In May 2024, we announced the appointment of Lord David Prior as Chair of the Board. David's vast healthcare experience will be invaluable as we advance our GalOmic™ therapies towards the clinic. I look forward to collaborating with him to deliver on our mission of discovering life-transforming medicines. Professor Trevor Jones will now focus on his role as Non-Executive Director, and I would like to thank him for his dedicated service as Chair and his ongoing commitment to e-therapeutics.

Outlook

e-therapeutics is now firmly established as one of the leading global TechBio companies. We are perfectly positioned to take advantage of the new industrial revolution in AI coupled with our proprietary RNAi drug platform. As such, we look forward to the future with great confidence.

Ali Mortazavi

Chief Executive Officer

5 June 2024

Delivering results

"The post year end equity fundraise of £28.9m will significantly strengthen our financial position and continue to fund our ongoing R&D activities into 2026.

Timothy Bretherton
Chief Financial Officer

Revenue

Revenue of £0.3m for the year (2023: £0.5m) relates to the final near-term milestone payment by iTeos following the successful conclusion of the immuno-oncology collaboration. Under the terms of the agreement, e-therapeutics is eligible to receive milestone payments if our discoveries are pursued further by iTeos.

During this year the Company announced its GalOmic™ therapeutic pipeline, through which we have successfully nominated and prosecuted multiple GalOmic™ assets, with two progressing into IND-enabling studies. This has been aided by the integration of LLMs into our computational platform, HepNet™, which is able to identify novel gene targets with a high success rate. The Company will continue to develop its therapeutic pipeline and innovate on its platforms, providing opportunities for revenue generation through licensing and collaborations.

R&D expenditure

R&D expenditure totalled £10.2m this year (2023: £7.2m). This includes increased spend within the Company's therapeutic pipeline execution, generating preclinical proof-of-concept data for four GalOmic™ RNAi assets.

The pipeline is underpinned by our HepNet™ computational platform, validating its ability to identify novel gene targets and design siRNA constructs *in silico*. Significant investment has also been made to incorporate LLMs and transformer technology into our platforms and deploying advanced analytics and AI. We have further enhanced our AI siRNA design and efficacy prediction model and advanced the LLM agent ecosystem, with ongoing integration into HepNet™.

We continue to maintain an active IP strategy over our inventions, having filed further priority and international patent applications arising from innovation around novel target genes and from the Company's proprietary GalNAc siRNA technology, GalOmic™.

Administrative expenditure

Administrative expenditure for the year totalled £3.9m (2023: £3.5m). The increased administrative cost largely reflects higher employment costs and other inflationary increases which will continue to be tightly controlled going forward.

Operating loss

The operating loss for the year amounted to £13.8m which is £3.6m higher than that in the prior year. This is mainly attributable to R&D expenditure increased by £3.0m, together with a small reduction in revenues and a small increase in administrative costs.

Interest and investment income

Interest and investment income for the year amounted to £0.7m (2023: £0.5m). The increase mainly reflects improved deposit rates on higher average cash deposit balances.

R&D tax credits and loss for the year

The loss for the year amounted to £11.2m (2023: £8.3m) after allowance for an R&D tax credit receivable of £1.9m (2023: £1.5m). The R&D tax credit claim has not yet been submitted to HM Revenue and Customs but historically the amounts received have been materially in line with our calculated tax receivable estimates.

Cash flow

Year-end cash balances totalled £20.7m, which is £11.0m lower than at the previous year end. This reflects £13.8m of operating losses together with £0.2m of capital spend in excess of depreciation, amortisation and impairment costs, partially offset by a tax credit cash receipt of £1.5m and interest income received of £0.7m, coupled with favourable working capital cash inflows of £0.8m.

Fundraise and delist from AIM post year end

An equity fundraise of £28.9m was announced in April 2024 together with a proposed delist from the AIM market.

The fundraise proceeds are expected to be received in early July 2024 and will continue to fund the Company's R&D activities into 2026.

The delist from AIM became effective on 9 May 2024 and a Matched Bargain Facility was established on the same day to provide a means for continued dealing in e-therapeutics shares. The Company will explore the option of listing on NASDAQ in due course.

Financial outlook

The post year end equity fundraise of £28.9m will significantly strengthen our financial position and underwrite our ability to drive forward with our strategic plans to advance multiple GalOmic™ pipeline assets towards the clinic and initiate clinical trials on one program. The Company will also keep its early pipeline well populated and accelerate development and integration of cutting-edge AI systems into HepNet™.

Timothy Bretherton
Chief Financial Officer
5 June 2024

Financial review

Revenue
£0.3m
(2023: £0.5m; 2022: £0.5m)

(Decrease)/increase in cash and short-term investment bank deposits
(£11.0m)
(2023: £5.3m; 2022: £13.6m)

Cash and short-term investment bank deposit balance
£20.7m
(2023: £31.7m; 2022: £26.4m)

R&D tax credit receivable
£1.9m
(2023: £1.5m; 2022: £1.5m)

R&D spend
£10.2m
(2023: £7.2m; 2022: £6.1m)

Operating loss
£13.8m
(2023: £10.2m; 2022: £9.6m)

Loss for the year
£11.2m
(2023: £8.3m; 2022: £8.1m)

Average headcount
35
(2023: 38; 2022: 32)

Computing the future of medicine™

We describe our approach as computing the future of medicine™. This means embedding computation into every aspect of the R&D process to improve the quality of drug discovery and overcome the inherent cost and time challenges associated with discovering new drugs for patients.

GalOmic™ RNAi platform

GalNAc-siRNAs knock down the messenger RNA (mRNA) of target genes in hepatocytes through a process called RNA interference (RNAi), resulting in highly specific gene silencing with an exceptional safety profile. Our GalOmic™ platform encompasses proprietary siRNA chemistry knowledge protected by a robust intellectual property portfolio, enabling development of our potent and long-acting GalOmic™ RNAi medicines.

- Hepatocyte-specific target mRNA knockdown
- Typically at least three-month duration of action, administered quarterly by subcutaneous injection
- Highly specific gene silencing
- Highly translatable from animals to humans
- Optimised GalOmic™ chemistry maximises therapeutic activity
- Protected by a robust IP portfolio
- Clinically validated modality with exceptional tolerability and safety profile

Read more on our website **www.etherapeutics.co.uk**

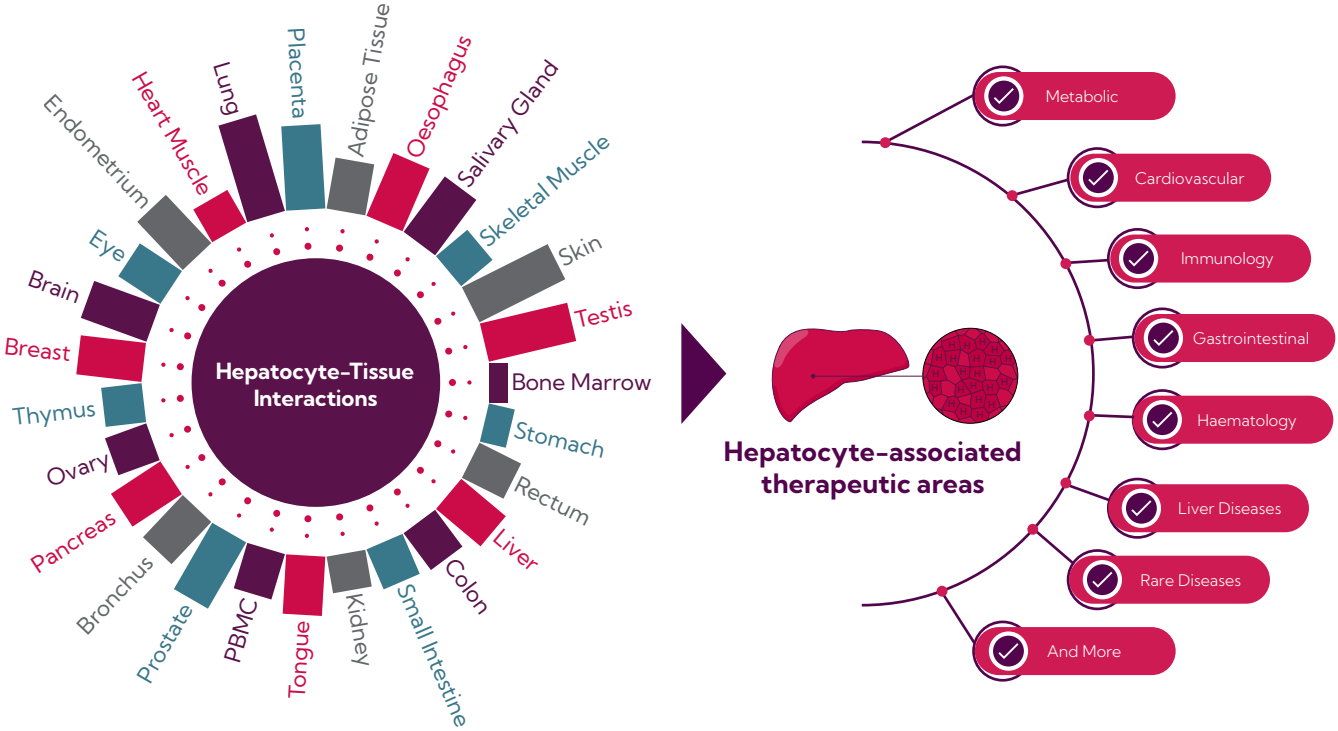
HepNet™ computational platform

HepNet™ drives forward discovery of our GalOmic™ assets at every stage, making time and cost efficiencies whilst enhancing our scientific insights. HepNet™ can be divided into four core computational approaches applied to extensive proprietary and curated public data sources within the platform, including our world-class hepatocyte-specific knowledgebase.

Stage	Target ID	Target-indication assessment	GalOmic™ siRNA design
HepNet™ data foundation	Proprietary hepatocyte-specific knowledgebase	Extensive proprietary and public data	siRNA sequences with GalOmic™ modification patterns
HepNet™ computational approach	Network analytics		AI siRNA design and efficacy prediction model
	Hepatocyte knowledge graph		
	Large language model agents		
Output	Novel gene targets with disease-modifying potential	Target-indication pair risk score	siRNA sequences ranked by efficacy

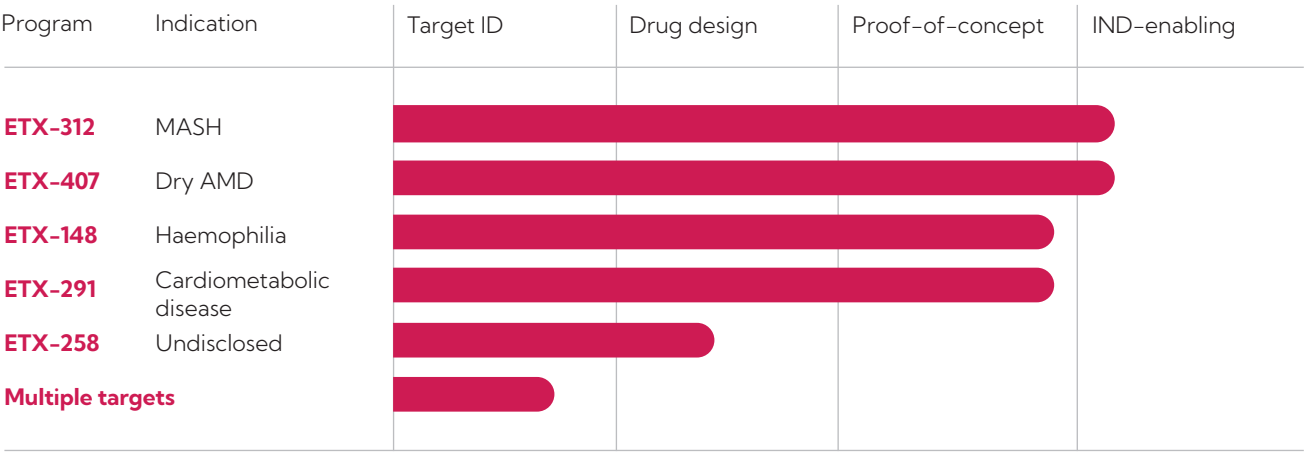
Addressable diseases

Hepatocytes have a high level of influence over other cell types. We capture interactions between hepatocytes and other cell types and tissues within HepNet™, meaning we can identify hepatocyte-expressed targets that play a key role in a wide variety of diseases with high unmet need.



Therapeutic pipeline

We are progressing a broad therapeutic pipeline of GalOmic™ RNAi therapies, driven by insights from our HepNet™ computational platform. Our target pool contains multiple additional target-indication pairs ready for nomination, ensuring a constant supply of novel target genes for our pipeline.



MASH – metabolic dysfunction-associated steatohepatitis

AMD – age-related macular degeneration

Read more on our website
www.etherapeutics.co.uk

ETX-312 for treatment of MASH | IND-enabling

Disease description

Metabolic dysfunction-associated steatotic liver disease (MASLD) is a spectrum of disease characterised by accumulation of fat in the liver (hepatic steatosis). MASH represents a severe form of MASLD that can lead to fibrosis, cirrhosis, and premature mortality

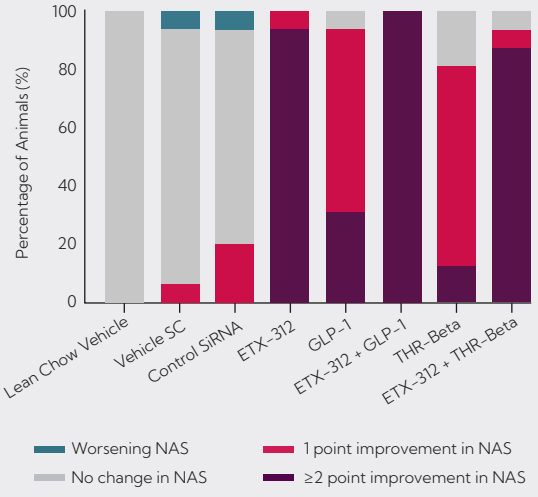
Market

- Approximately 25% of the world's population are estimated to have MASLD (~2 billion people), with 20-25% of these progressing to MASH (~500 million)[1,2]
- Global market valued at USD 2.5b in 2022, rising to USD 108b by 2030[3]

ETX opportunity

- **Effective treatment** – there is currently only one approved treatment for MASH, and many people that take it do not achieve clinically meaningful outcomes. In addition, many patients in clinical trials of emerging treatments do not meet primary clinical endpoints
- **Low treatment burden** – quarterly subcutaneous dosing

NAFLD Activity Score (NAS)



ETX-312 dramatically improves NAS in a highly translatable diet-induced obesity MASH model, both alone and in combination with emerging MASH treatments

[1] Younossi, Zobair M.; Koenig, Aaron B.; Abdelatif, Dinan; Fazel, Yousef; Henry, Linda; Wymer, Mark. Global epidemiology of non-alcoholic fatty liver disease–Meta-analytic assessment of prevalence, incidence, and outcomes. Hepatology 64(1):p 73-84, July 2016. | DOI: 10.1002/hep.28431.

[2] Bellentani S. The epidemiology of non-alcoholic fatty liver disease. Liver Int. 2017 Jan;37 Suppl 1:81-84. doi: 10.1111/liv.13299. PMID: 28052624.

[3] Vantage Market Research, Non-alcoholic steatohepatitis (NASH) market – global industry assessment and forecast.

ETX-407 for treatment of dry AMD | IND-enabling

Disease description

AMD is a progressive degenerative disease of the retina resulting in severe vision loss; dry AMD affects 90% of cases and can lead to legal blindness

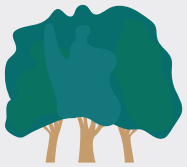
Market

- ~196 million patients with AMD globally (as of 2020), progressing to 288 million by 2040. 90% of people with AMD have dry AMD[1]
- AMD market valued at USD 7.8b in 2022, increasing to USD 22.8b by 2031 (across seven major markets)[2]

ETX opportunity

- **Systemic approach to treatment** – quarterly subcutaneous injections improve upon highly invasive intravitreal injections that are current standard of care
- **Human genetic support** – Asset de-risked by human genetic evidence demonstrating the link between gene and disease

Healthy vision



Vision with dry AMD

ETX-148 for treatment of haemophilia A and B | Proof-of-concept complete

Disease description

An inherited bleeding disorder in which the blood does not clot properly, resulting in joint bleeds that can cause painful and debilitating joint damage

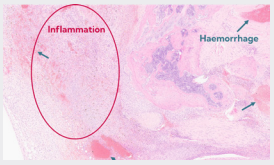
Market

- Most common rare disease: ~200,000 people diagnosed with haemophilia worldwide[3]
- Estimated market size of USD 9.7b in 2022 (across eight major markets)[4]

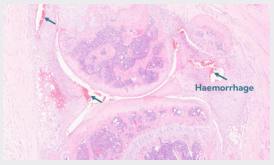
ETX opportunity

- **Pan-haemophilia efficacy** – ability to prevent joint bleeds in haemophilia A and B, the primary driver of bleeding rates
- **Low treatment burden** – quarterly subcutaneous dosing provides lower treatment burden than standard-of-care
- **Safety** – bleed protection without increasing risk of thrombosis, including when co-administered with emergency bleed treatments

Injured knee without treatment



Injured knee with ETX-148 treatment



ETX-148 administration results in improved joint histology in haemophilia joint bleed model

ETX-291 for treatment of cardiometabolic disease | Proof-of-concept complete

Disease Description

Cardiometabolic disease encompasses multiple conditions including obesity, cardiovascular disease, metabolic syndrome, and Type 2 diabetes

Market

- Cardiometabolic diseases are among the leading causes of mortality and morbidity globally
- Global market valued at USD 125.3b in 2022[5]

ETX opportunity

- **Pleiotropic effect** – target knockdown positively impacts wide spectrum of cardiometabolic disease drivers, including insulin resistance, fibrinogen, LDL-C, and free fatty acids, resulting in more effective cardiovascular risk reduction
- **Large addressable market** – pleiotropic mechanism of action means ETX-291 has the potential to treat a wide variety of cardiometabolic indications
- **Human genetic support** – loss of function of target linked to reduction in coronary artery disease risk, de-risking development

Cardiometabolic risk factors	Cardiometabolic diseases
Insulin resistance	Type 2 diabetes
Increased fibrinogen	Metabolic syndrome
Elevated LDL-C, triglycerides	Obesity
Increased free fatty acids	Cardiovascular disease

[1] Global prevalence of age-related macular degeneration and disease burden projection for 2020 and 2040: a systematic review and meta-analysis, Wong, Wan Ling et al. The Lancet Global Health, Volume 2, Issue 2, e106 - e116.
[2] Global Data [accessed March 2024], 7MM including US, UK, Japan, Spain, France, Germany and Italy.
[3] World Federation of Haemophilia Annual Global Survey, 2020.
[4] Global Data [accessed March 2024], 8MM including US, UK, China, Japan, Spain, France, Germany and Italy.
[5] Market Research Future, Cardiometabolic Disease Market [published March 2024].

Business model

Traditional drug discovery approaches the discovery of each drug as a brand new scientific problem. With RNAi-based drugs we can generate a more translatable, reproducible, and balanced portfolio where drug development largely becomes an execution problem.

Key inputs

Multi-disciplinary team

Our people are our most important asset and the driver of the overall performance of the Company. We have prioritised a seamless integration of computation with biology, chemistry, and the drug development process to empower teams across the Company to deliver on ambitious objectives.

World-class hepatocyte-specific knowledgebase

We leverage our extensive hepatocyte-specific data, including proprietary data from preclinical experiments, licensed data, and carefully curated public data.

Enabling platform technology

We utilise cutting-edge software engineering, AI, and computational approaches developed in-house to drive forward every stage of development of our GalOmic™ assets.

Intellectual property

We have a robust IP portfolio protecting our proprietary GalOmic™ RNAi chemistry, pipeline assets, and target hypotheses generated by HepNet™.

Advisors

We engage with trusted advisors and key opinion leaders to support e-therapeutics with flexible access to leading expertise and qualified advice in all areas of the business, including clinical insights in therapeutic areas of interest.

Our process

By combining computation with the RNAi modality, we have built a drug development engine where reduced timelines and costs apply to the early stages of any pipeline program. This maximises the number of assets we can prosecute and gives us exposure to a variety of disease areas. We believe this approach is commercially robust and fulfils a need in pharma for biotechnology innovation, whilst aiming to accelerate the journey to key validating datasets, ahead of generating human data in the clinic.

Opportunities to maximise value

In-house pipeline

Through the unique combination of HepNet™ and GalOmic™, we can rapidly take programs from target identification through preclinical development, and beyond, with modest investment compared to industry standards. To ensure our pipeline has a balanced risk portfolio, before nomination, each potential target-indication pair undergoes a standard and systematic assessment which scores the risk associated with developing a GalOmic™ pipeline program upfront. This allows us to de-risk programs early and ensures pipeline programs are nominated with confidence in biology, developability, and commercial tractability.

Licensing and collaborations

We have a broad pipeline of GalOmic™ assets that will drive significant value for the Company. We aim to strike a balance between partnering early and investing more in development to realise additional value. We may also engage in discovery collaborations with biopharmaceutical companies, using HepNet™ and GalOmic™ to discover and develop RNAi therapies for specific disease areas.

How we're different

ETX is improving upon the traditional drug development process

1

Key industry problem: Same target genes

The ETX approach:
HepNet™ computational platform identifies novel gene targets with disease-modifying potential.

The value:
A highly differentiated pipeline of life-transforming RNAi medicines.

2

Key industry problem: Too slow

The ETX approach:
Unique combination of HepNet™ and GalOmic™ enables rapid and reproducible drug development.

The value:
Reduces the time and cost associated with development, allowing more shots on goal.

3

Key industry problem: High risk

The ETX approach:

- Network-based target identification accounts for the full complexity of biological processes.
- RNAi modality is highly specific and translatable across species.
- Detailed target-indication assessment allows us to nominate targets with confidence in biology, developability, and commercial viability.

The value:
Ensures we are investing in viable programs, increasing the likelihood of treatments progressing through clinical trials and getting to the patients that need them.

Delivering value

Employees

We provide a safe and rewarding work environment in which individuals can build on their current experience, develop new skills, and stretch outside their comfort zone.

Partners

We form open and collaborative working relationships based on trust with our partners. We deploy the best of our technological abilities, skills, and talent to ensure the success of our collaborations.

Patients

Our approach to significantly increasing the efficiency of the discovery process translates into the potential to get better medicines to patients faster. In addition, our computational platform can enable discovery in areas where no progress is currently being made, ultimately aiming to serve patients who currently have no treatment options.

Shareholders

We focus on building long-term value for our shareholders. We aim to increase the probability of success of the therapeutic candidates we invest in and create near-term value inflection points by executing on our hybrid business model at the intersection of two highly active fields.

Strategic summary

Our strategy is to combine the computational power of HepNet™ with our GalOmic™ chemistry platform to generate an in-house pipeline of life-transforming RNAi medicines for patients.

We believe this strategy can help us better understand human biological complexity, which will lead to the accelerated discovery and development of effective therapies.

	2023 progress
1 **Developing a differentiated pipeline of novel RNAi therapies**	• Publicly disclosed therapeutic pipeline of five GalOmic™ assets spanning a broad range of therapeutic areas • Generated positive proof-of-concept data for four programs • Two GalOmic™ clinical candidates nominated • Additional novel targets identified and assessed *in silico* by HepNet™
2 **Continuing innovation around HepNet™ and GalOmic™**	• Refined and validated our AI-driven predictive siRNA design • Expanded HepNet™'s hepatocyte-specific knowledgebase • Continued generation of proprietary experimental data to feed into HepNet™ • Initiation of projects dedicated to development and integration of large language model (LLM) agents within HepNet™ • Priority patent applications filed on nine further inventions, and international patent applications filed for eight RNAi inventions arising from GalOmic™
3 **Advancing our business through collaboration**	• Continued to deliver on iTeos target identification collaboration and achieved final near-term success milestone • Initiated collaboration with Arcturis Data to incorporate Real-World Evidence into HepNet™ data foundation
4 **Building a scalable, high performing company**	• Refined frameworks, structures, and standard operating procedures for increased efficiency • Continued investment in attracting and retaining a talented team

2024 focus	
1 **Developing a differentiated pipeline of novel RNAi therapies**	• Advance toward the clinic: progress IND-enabling studies on ETX-312 for MASH and initiate IND-enabling studies on ETX-407 for dry AMD • Complete preclinical proof-of-concept studies for ETX-258 in an undisclosed indication • Nominate additional targets and initiate preclinical development • Continue growth of the viable target pool of assessed target-indication pairs
2 **Continuing innovation around HepNet™ and GalOmic™**	• Full integration of the siRNA design and efficacy prediction LLM agent within existing AI model, enhancing predictive power and enabling bypass of *in vitro* screening for all programs by 2H2024 • Continued development of LLM agents to increase speed, throughput, and objectivity of target-indication assessment • Identification of additional use cases for LLM technology • Continued evolution of GalOmic™ platform leveraging emerging chemistry • Additional patent application filings on GalOmic™ chemistry and sequences
3 **Advancing our business through collaboration**	• Complete MASH-focused Real-World Evidence collaboration with Arcturis Data • Establish additional R&D collaborations to bolster our capabilities • Seek partnerships with biopharmaceutical companies around pipeline programs, GalOmic™, and HepNet™, under structures that enable substantial value retention
4 **Building a scalable, high performing company**	• Further evolve operating procedures and governance to fit the needs of the business and continue to enable agile decision making • Increased emphasis on living by the Company values, celebrating progress, and rewarding the team • Continued investment in attracting and retaining a talented team

Section 172(1) Statement

Openly engaging and maintaining strong relationships with stakeholders forms a critical part of our strategy. The Directors recognise that proactive dialogue, and the consideration of consequent feedback, contributes directly to our long-term success and creates value for our shareholders, employees, partners and suppliers.

Section 172(1) Statement

The Directors are aware of their duty under Section 172(1) of the Companies Act 2006, to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequence of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's relationships suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Company has adopted the Corporate Governance Code for Small and Mid-Sized Quoted Companies from the Quoted Companies Alliance (the "QCA Code"). The QCA Code in an appropriate code of conduct for the Company's size and stage of development. Details of how the Company applies the principles of the QCA Code are set out in the Corporate Governance section of this report.

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1) (a) to (f) and forms the Directors' statement under Section 414CZA of the Companies Act 2006.

Board considerations and decisions

Below is a list of some key topics that have been a focus for the Board in 2024, outlining how consideration of stakeholder interests has influenced decisions.

Responsibility	Our approach
• The likely consequences of any decision in the long term • The interests of the Company's employees • The need to foster the Company's business relationships with suppliers, customers and others • The impact of the Company's operations on the community and the environment • The desirability of the Company maintaining a reputation for high standards of business conduct • The need to act fairly as between members of the Company	• The Company's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the Our Strategy and Risk Management sections of this Strategic Report • Our employees are fundamental to us achieving our long-term strategic objectives, as more fully disclosed in our Corporate Governance Statement • A consideration of our relationship with wider stakeholders and their impact on our long-term strategic objectives is also disclosed in our Corporate Governance Statement • The Company operates honestly and transparently. We consider the impact on the environment of our day-to-day operations and how we can minimise this. Further disclosure on how we promote a corporate culture based on ethical values and behaviours is included in our Corporate Governance Statement and in the Risk Management section • Our intention is to behave in a responsible manner, operating within high standards of business conduct and good corporate governance in alliance with our Corporate Governance Statement and in the Risk Management section • Our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so that they too may benefit from the successful delivery of our strategic objectives

Engaging with our stakeholders

Employees

Why we engage

The Company relies on the qualities of its people for success. While the Company may be relatively small, it recognises the importance of a diverse and engaged workforce and the value of each person's contribution.

How we engage

- Provision for the development of skills and knowledge
- Promotion of principles and policies to ensure equality and diversity
- Regular formal and informal contact at a corporate, divisional and team level to create understanding of the Company's strategy, progress, and achievements
- Regular sharing of key news and information to ensure employees are informed and engaged
- Anonymised surveys to gauge employee satisfaction and enable employee feedback
- Regular discussions at a senior management and Board level on how to maintain a positive company culture

Value and outcomes

- Engagement initiatives in the areas of employee social events, learning and development, appraisal systems, transparent reporting, flexible working, and competitive reward structures
- Clear understanding of our corporate values linked to "objectives and key results" (OKR) approach
- Strong evidence of mutual respect and honesty as key working practices

CROs

Why we engage

The Company does not have in-house wet laboratories, so enables the selection of the best experimental expertise for each therapeutic program and ensures the most efficient use of capital. The Company works with world-leading external organisations which provide the experimental capacity and capabilities needed to advance our candidates.

How we engage

- Maintain a variety of trusted contract research organisation (CRO) relationships with no single provider being unduly favoured
- Select the right partner depending on the specific needs and expertise required for each project
- Agree clear project timelines and milestones in advance which are then monitored closely
- Undertake communications to closely track project progress including daily correspondence, high frequency update meetings and regular site visits

Value and outcomes

- Generating preclinical data critical to validate and progress the Company's RNAi candidates
- Valuable CRO input, insight, and expertise to guide quick data-driven decisions
- Experimental data to refine our computational tools and improve algorithmic predictive power
- Reducing development costs while assessing promising therapeutic hypotheses at speed and scale

Pharmaceutical partners

Why we engage

The Company's unique model helps to overcome critical challenges associated with drug discovery and development. Collaborations with industry partners offer the opportunity to work with disease area and clinical experts that can help turn potential therapeutic candidates into novel medicines for patients.

How we engage

- Pre-agree detailed workplans towards key deliverables, which are reflected by the financial structure of the agreement
- Maintain close interactions with our partners throughout a project to ensure good information flow, informed decision making and intellectual exchange
- Balance in-house development and partnering of our preclinical RNAi assets to maximise value retention, while exploring platform-based collaborations leveraging access to HepNet™ and GalOmic™

Value and outcomes

- Successful conclusion of collaboration with Galapagos NV in idiopathic pulmonary fibrosis (IPF). All milestones were achieved, demonstrating our ability to effectively identify potential therapeutic strategies and targets computationally
- Achievement of last near-term milestone associated with immuno-oncology collaboration with iTeos Therapeutics Inc.
- Such collaborations have provided valuable learnings and validation of the Company's approach in addition to the monetary value
- Helping patients with high unmet need by bringing new RNAi therapies to the market at an increased scale

Advisors

Why we engage

The Company works closely with advisors to provide additional insight and expertise. This is done from a corporate perspective to ensure critical business functions are enhanced and from an R&D perspective to gain independent input on our therapeutic areas of interest and programs.

How we engage

- Maintain good relationships with highly regarded key opinion leaders (KOLs) to add industry, research, clinical and patient perspectives in key disease areas of interest
- Participation at various conferences, events, and meetings that benefit the Company

Value and outcomes

- Prevents the Company from operating in a vacuum by providing external expert insight across all drug discovery and development stages as therapeutic areas
- Detailed independent analysis and assessment of strategy and therapeutic pipeline
- Broader market intelligence relating to current/ future disease landscapes and clinical trial considerations

Data providers

Why we engage

Building a deep data resource is critical for the successful application of computational methods to interrogate biology and discover novel gene targets. Data from external providers is used in combination with the Company's proprietary data which is captured in a continual feedback loop to ensure our learnings are used to improve future prediction and discovery.

How we engage

- Ongoing long-term agreements with leading data providers in the areas of biological and chemical data
- Fast and efficient processes that facilitate data ingestion and updates
- Collaborative feedback mechanisms that enable suggestions for data improvement
- Constant assessment that data sources meet strategic requirements and contribute to the development of HepNet™

Value and outcomes

- The integration of complex datasets to create an unrivalled proprietary hepatocyte knowledge resource
- The ability to effectively model and interrogate human biology and processes within the liver
- Strong relationships with data providers that enable the continual expansion of data diversity to suit the Company's specialisation in RNAi and hepatocytes

Shareholders

Why we engage

The Company recognises the importance of consistent communications with shareholders to provide a clear understanding of its strategy and business performance.

How we engage

- Proactive dialogue with shareholders through timely and relevant news distribution across multi-media channels
- Conduct planned investor relations events to educate and inform
- Provide the opportunity for meetings with the management team for existing investors, potential investors, and analysts
- Feedback from institutional investors following twice-yearly roadshow meetings held following full-year and half-year results reporting
- Hosting of an Annual General Meeting (AGM) that allows institutional and private shareholders to engage with the Directors of the Company

Value and outcomes

- Transparency of the Company, its strategy and its business operations
- A well-informed investor base that clearly understands the benefits and risks associated with the Company's investment case
- Investors that can play an active role in monitoring and safeguarding the governance of the Company
- Ensuring investors, views are heard and embedded into Board decision making

ESG strategy

As a company seeking to discover and develop new medicines, we are committed to having a positive impact on people's lives. We continue to place importance on extending our responsibilities beyond the Company's mission and purpose to incorporate an active ESG strategy.

Societal value

Our ambition

Have a positive impact on society at a global level by discovering and developing novel therapeutics in areas of high unmet need

Our approach

- Accelerate the rate at which new therapeutic treatments are discovered and developed for patients in need
- Maximise the efficiency and yield of capital invested in R&D by combining computational methods and a powerful therapeutic modality (RNAi) with distinct time, cost and translatability advantages
- Engage with non-profit and patient organisations to advance research in the key disease areas we focus on

Ethical standards

Our ambition

Operate with integrity through the maintenance of very high professional standards

Our approach

- Ensure robust governance that promotes high ethical standards and transparency
- Build trusted relationships with our stakeholders by being clear, honest and open in all our communications and transactions
- Undertake a detailed ESG materiality assessment with an external sustainability consultant to develop new ESG initiatives that can deliver the maximum impact and improvement
- Responsibly harness technology as a force for good that drives greater efficiency and effectiveness in medicinal research

Environmental responsibility

Our ambition

Reduce the environmental impact of our business operations and measure improvement

Our approach

- Minimise the environmental impact of experimental work by doing as much as possible computationally and streamlining the stages of the R&D process that rely on *in vitro* and *in vivo* work
- Review and effectively manage our energy and carbon emissions
- Embed sustainability as a key consideration in partner and supplier agreements
- Use technology to embrace remote, flexible and collaborative ways of working

Nurturing talent

Our ambition

Continue to cultivate a culture that is inclusive and empowering for all, establishing ourselves as an employer of choice, where our people can bring the best of who they are to their work

Our approach

- Live by our Company values to deliver meaningful and impactful work
- Support our people by investing in initiatives that enhance their wellbeing
- Embrace transparent and open communications and create opportunities to listen to and act on feedback
- Offer different ways for our team to learn, develop, and go places they didn't think possible
- Provide a feedback and reward framework that recognises and celebrates success

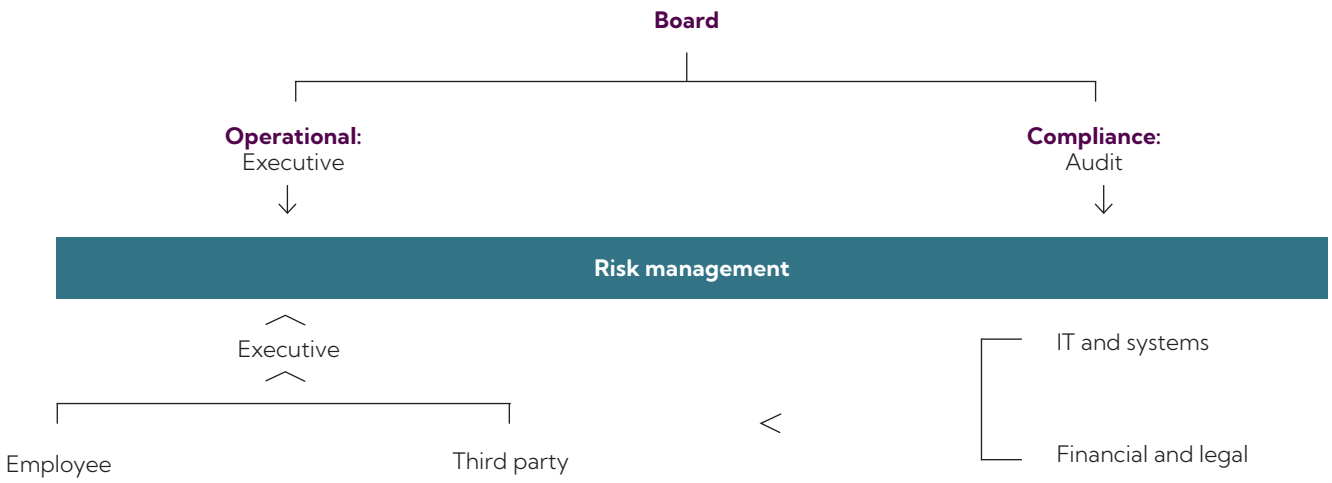
Principal risks and uncertainties

The following table summarises the principal risks and uncertainties that the Board considers could adversely impact the business, together with an explanation of how they are managed and controlled. Some risks are common across the industry, while others reflect current business operations or specific elements of the Company's strategy.

The Company has initiated, and follows, a robust system of risk management and business continuity. The system can be summarised as:

- The Board, with support from the Audit Committee, identifies procedures to minimise risk impact and ensure implementation of a Risk Management System (RMS)
- The Executive Committee manages the internal control and day-to-day execution of the RMS which includes considerations on risk assessment, mitigation policies, Company asset safeguarding, information reliability and the health and safety of employees
- The RMS is embedded through the entire business through a top-down and bottom-up approach (see *diagram)*
- Risks are continually monitored and specialists are engaged where appropriate to mitigate identified risks
- Risk assessments and risk registers are used to drive business continuity planning and employee policies

***Diagram* – Risk Management System – top-down and bottom-up approach**



Strategic risks

Risk	Management and mitigation
Funding the business	
We anticipate generating non-dilutive funding via revenues from commercial agreements with pharmaceutical partners. If we are unable to do this, reliance falls on raising further capital from investors or potential M&A opportunities. General market trends which are unrelated to our performance may have an adverse effect on our market capitalisation. Against a negative economic climate, raising capital is currently challenging. Eventual failure to generate additional funding will compromise the ability to achieve our strategic objectives and operate as a going concern.	• Strong business development function with an expert market intelligence team to identify the best strategic and commercial opportunities for pipeline assets • Our technology approach and focus on RNAi as a modality enable us to make fast early preclinical progress for relatively modest cost against industry standards • Detailed financial planning and analysis is regularly undertaken. This ensures our existing financial position is constantly monitored and, if required, appropriate budgetary adjustments are made • Together with our nominated advisor, we are in continuous proactive dialogue with investors and the wider investor community to manage capital market risk
Feasibility of drug candidates	
There is a risk we may not successfully progress any viable drug candidates. Drug candidates fail due to a lack of efficacy or potency, unacceptable toxicology results or insurmountable challenges in medicinal chemistry. This is the main reason that the conventional pharmaceutical R&D model takes many years and billions of dollars from discovery to approved medicines.	• Focus on the continued enhancement of computational approaches designed to improve predictive power and identification of therapeutic targets with the greatest chance of success • Ensure asset risk is diversified across the in-house therapeutic pipeline, supported by detailed target-indication assessment performed on every asset • Positive advantages associated with GalNAc-siRNA medicines lead to a higher confidence that the novel gene targets we identify are "druggable" • The probability of success associated with RNAi being highly specific and translatable from animals to humans is significantly higher than other drug modalities
Protecting our intellectual property (IP)	
If IP rights are not adequately secured or defended against infringement, or conversely become subject to infringement claims by others, commercial exploration could be compromised or completely inhibited.	• We actively manage IP, engaging with specialists to protect our inventions, periodically monitor freedom to operate and defend IP rights • The operation and maintenance of our technology platforms require detailed know-how and specialist expertise which would be difficult and time consuming for competitors to replicate
Competition and new technologies	
The scientific and technological sectors are by their nature innovative and fast moving. There is a risk that competitors with greater financial resource develop new, more developed technologies that render our approaches less competitive. Any failure associated with these risks will have a material impact on our competitiveness and financial performance.	• We continue to invest in R&D, progressing our enabling technologies to generate novel and highly differentiated internal assets that will be valuable to the Company and/or prospective collaborators • We take advantage of cutting-edge developments when they can materially benefit our platform; considerable innovation has been undertaken in the period to integrate large language model technology into the HepNet™ platform • The GalOmic™ platform has also been significantly developed to further improve siRNA construct design capabilities, speed of execution, and our robust IP position

Operational risks

Risk	Management and mitigation
Availability of non-human primates (NHPs) for research	
A post-pandemic shortage of NHPs is affecting the biopharmaceutical sector at large. There is a risk that reduced availability of NHPs may slow down our experimental progress and our ability to validate hypotheses.	• We are anticipating our need for more NHPs in good time and have mapped suppliers in different geographies and have established relationships • We use conservative timeline and cost estimates, assuming long lead times to secure slots with CROs that have access to NHPs and an increased cost for any experiments requiring these animals
Reliance on key suppliers	
We work with various key suppliers to provide data for our platform technologies and perform experimental work in the wet laboratory. Retaining good relationships with these suppliers is important in order to execute key elements of our strategy. Failure to do so would delay our progress. There is a risk that suppliers will not deliver the expected quality of data or to the agreed timelines, which may result in inferior research output. In addition, there is a risk that geopolitical issues, and resulting legislation, may impact our ability to use certain suppliers when developing our therapies, e.g. the BioSecure Act.	• We undertake effective supply chain management and diversify, where practicable, the use of specialist suppliers to reduce the risk of over-reliance on any one organisation • The CROs we use to carry out experimental studies are carefully selected through a diligence process. All research data is systematically quality controlled, reviewed and reanalysed internally to ensure consistent quality and standards • We continuously assess alternative and complementary data providers while also generating our own proprietary data, which mitigates reliance on any one data provider • We proactively monitor the regulatory landscape for changes in legislation that may impact the use of certain providers, including the BioSecure Act, and have contingency measures in place
Information governance and security	
A cyber-attack, whether by a third party or insider, may incur significant costs, cause disruption to our technology infrastructure and compromise IP. Any breach in our cyber-security may incur severe reputational damage, loss of key stakeholder confidence and negative investor sentiment. As a consequence of increased remote working, additional risks arise which increase the necessity to secure, monitor and protect our technology infrastructure and workforce.	As part of our risk management framework we undertake best practice cyber-security and information management. We have been independently audited by an accredited body and been awarded Cyber Essentials Plus certification which requires us to maintain: • a business continuity management strategy and established information privacy and security policies; • regular employee training which is provided in house and via third parties; • physical and software-based protection, such as firewalls, anti-malware, anti-phishing, encryption, and website risk analysis, which is reviewed as part of regular system vulnerability testing; • regular data backups or key systems and information which are tested regularly; • a register of our categorised data, recording access limitation and security measures, including a review of our data processors, cloud-based storage providers and organisational data flows; and • a log of all security incidents, which is reported to the Board There have been no significant incidents and no cyber breaches during the year.

Operational risks continued

Risk	Management and mitigation
People and culture	
There is a risk that we fail to attract, recruit, develop and retain the global talent needed to develop our technology, progress our candidates and deliver on our strategy. There is a risk that increased remote working can erode successful collective working and knowledge sharing which may impact collaborative innovation. The loss of key employees might weaken our capabilities and negatively impact our business.	• We are committed to an active people planning and development programme to ensure employees feel valued, can develop professionally and are competitively rewarded. This includes industry benchmarking, effective performance management systems and regular employee feedback surveys • We work with specialist recruitment agencies to ensure we hire the skills we need through best-in-class talent acquisition approaches • Our Reward Gateway employee engagement platform supports the mental, physical and financial wellbeing of our people • Employees are provided with all the technologies and equipment they need to be safe and comfortable when working flexibly • We have built a strong culture of cross-team collaboration that operates regardless of in-person or virtual ways of working

This Strategic Report was approved by the Board of Directors on 5 June 2024 and is signed on its behalf by:

Ali Mortazavi
Chief Executive Officer
5 June 2024

Chairman's introduction to governance

Statement by the Non-Executive Chairman

On behalf of the Board, I have the pleasure of presenting the Corporate Governance Statement for the year ended 31 January 2024. I am responsible for leading the Board to ensure that the Company has in place the strategy, people and structure to deliver value to shareholders and other stakeholders of the Company as a whole over the medium to long term, supported by a corporate culture based on sound ethical values and behaviour, as more fully explained in the Corporate Governance Statement on the following pages.

The Directors recognise the fundamental need for good corporate governance in providing an efficient, effective and dynamic system to ensure that the Company is managed in the right way for the benefit of all shareholders over the medium to long term. The Board of e-therapeutics has chosen to apply the QCA Corporate Governance Code (the "QCA Code") published by the Quoted Companies Alliance. The QCA Code is a pragmatic and practical tool, which adopts a principles-based approach to corporate governance, which the Directors believe is an appropriate framework for the relatively small company that e-therapeutics is, at an early revenue-generating stage of development.

In compliance with the QCA Code I hold the position of Non-Executive Chairman and Ali Mortazavi is the Chief Executive Officer. Trevor Jones and Michael Bretherton are both Non-Executive Directors. Michael Bretherton also took oversight of the financial function between December 2021 and September 2023, when Timothy Bretherton became Chief Financial Officer.

As individual Directors, we are mindful of our statutory duty to act in the way each of us considers, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole, as set out in our Section 172(1) Statement.

We regularly review how we govern the Company, working for the best long-term interests of our shareholders in an open, transparent and ethical manner. Further, during the year, we have ensured that these principles have been communicated to all staff.

The principal methods of communicating our application of the QCA Code are within this Annual Report and on our website https://www.etherapeutics.co.uk/investors/. The QCA Code sets out ten principles, in three broad categories.

In this Corporate Governance Statement I have set out the Company's application of the QCA Code, including, where appropriate, references to other sections of the Annual Report.

Lord David Prior

Independent Non-Executive Chairman
5 June 2024

Standing agenda and key topics considered by the Board in 2023/24

At each meeting comprehensive Board packs are provided in advance and the following standing items are discussed:

- strategy;
- management accounts and financial KPIs;
- progress reports on major R&D projects;
- recruitment and people update;
- business development update; and
- intellectual property update.

Key topics considered by the Board in 2023/24

- Review, debate and challenge of the corporate strategy and plan
- Risk management and internal controls, including a robust assessment of the principal risks
- Budget to 31 January 2024
- Operating model and resource allocation
- Organisational structure review and adjustment
- Financial results announcements, presentations, reports and accounts and market updates (annual and half year)
- Investor engagement

Leading with experience

KEY TO COMMITTEE MEMBERSHIP (R) Remuneration Committee (A) Audit Committee ● Chair of Committee

Lord David Prior

Independent Non-Executive Chairman

Commenced role
May 2024

R A

Skill and experience

Lord Prior is Deputy Chairman UK and Global Senior Advisor at Lazard. He served as Chair of Norfolk and Norwich University Hospitals NHS Foundation Trust from 2002 – 2012 before becoming Chair of the Care Quality Commission. In 2015, he was appointed Parliamentary Under Secretary of State for Health and created a Life Peer.

In December 2016, he was appointed as Parliamentary Under Secretary of State at the Department of Business, Energy & Industrial Strategy, with specific responsibility for developing industrial strategy. He stepped down from this role in October 2017 to become Chair of University College London Hospitals and subsequently became Chair of NHS England, a Director of Genomics England and a member of the UK Life Sciences Council to March 2022.

He was educated at Cambridge University and subsequently qualified as a barrister. He trained in finance at Lehman Brothers and Lazard Freres in New York before holding a number of senior positions within the industrial sector, including British Steel, where he was Commercial Director. He was elected MP for North Norfolk in 1997 and became CEO and Deputy Chair of the Conservative Party.

He is currently Chair of Protas, a not-for-profit clinical trials business, Chair of the Cambridge Life Sciences Council, Chair of Science Capital Imperial, a venture fund aligned with Imperial College, and a member of the Novo Nordisk Sustainability Advisory Council.

Professor Trevor Jones CBE

Independent Non-Executive Director

Commenced role
October 2015

R A

Skill and experience

Trevor was appointed to the Board in October 2015 as a Non-Executive Director and appointed Independent Non-Executive Chairman in March 2021 to May 2024. Trevor has over 40 years' distinguished experience in the pharmaceutical and biotechnology industry as well as in academia. He is a member of the boards of Techimmune LLC and Ascension Healthcare plc and a Visiting Professor at King's College London; he holds honorary degrees and Gold Medals from seven universities. Previously, Trevor held significant roles in industry including Director of Allergan Inc. from 2005 to 2015 and R&D Director of The Wellcome Foundation from 1987 to 1994, where he was responsible for the development of AZT, Zovirax, Lamictal, Malarone and other medicines. Trevor has also held a number of advisory and regulatory roles including Director General of the Association of the British Pharmaceutical Industry (ABPI); board member of the European Federation of Pharmaceutical Industries and Associations (EFPIA) and the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA); a member of the UK Government regulatory agency The Medicines Commission; a member of the UK Government Pharmaceutical Industry Ministerial Strategy Working Group on Pharmaceuticals; an advisor to the Cabinet Office on the Human Genome Project; a member of the Prime Minister's Task Force on the Competitiveness of the Pharmaceutical Industry (PICTF); and Chair of the Government Advisory Group on Genetics Research.

Michael Bretherton

Non-Executive Director

Commenced role
February 2020

R A

Skill and experience

Michael was appointed to the Board as a Non-Executive Director in February 2020 and subsequently took on the additional role as Interim Chief Financial Officer with effect from December 2021 to September 2023. Michael has many years of financial and commercial experience as a Director of numerous AIM quoted companies including DeepMatter Group plc, Tissue Regenix Group plc, Nanoco Group plc and Ceres Power Holdings plc.

Michael has a degree in Economics from Leeds University and is a member of the Institute of Chartered Accountants in England and Wales. His early career included working as an accountant and manager with PriceWaterhouse for seven years in London and Abu Dhabi. Michael is currently also Chief Executive Officer of Sarossa plc, Chairman of Adams plc and Hardy plc and a Non-Executive Director of Blake Holdings Limited and ORA Limited.

Ali Mortazavi

Chief Executive Officer

Commenced role
February 2020

Skill and experience

Ali was appointed to the Board as Executive Chairman in February 2020 and Chief Executive Officer in October 2020, retaining his position as Chairman, and subsequently split these roles in March 2021 to continue as Chief Executive Officer. Ali has extensive experience in the biotechnology sector and financial markets. His most recent roles include CEO of Silence Therapeutics plc, from 2012 to 2018, as well as a founder shareholder of Evolution Group, a UK-based investment bank, from 2001 to 2008. Ali is an experienced investor in small companies and has held numerous declarable stakes in listed/private biotechnology and technology companies. Ali holds a BSc in Computer Science, an International Master of chess and a former professional chess player. During his chess career, Ali was actively involved in the development of chess databases and the analysis of chess positions using chess computer engines.

Executive Team

Ali Mortazavi
Chief Executive Officer

Commenced executive role
October 2020

Skill and experience
Ali was appointed to the Board as Executive Chairman in February 2020 and Chief Executive Officer in October 2020, retaining his position as Chairman, and subsequently split these roles in March 2021 to continue as Chief Executive Officer. Ali has extensive experience in the biotechnology sector and financial markets. His most recent roles include Chief Executive Officer of Silence Therapeutics plc, from 2012 to 2018, as well as a founder shareholder of Evolution Group, a UK-based investment bank, from 2001 to 2008. Ali is an experienced investor in small companies and has held numerous declarable stakes in listed/private biotechnology and technology companies.

Alan Whitmore
Chief Scientific Officer

Commenced executive role
December 2014

Skill and experience
Alan has been instrumental in defining and developing the conceptual framework on which e-therapeutics' computational platform is based. Alan moved from academia into biotech over ten years ago and he has worked in both drug delivery and drug discovery. Alan is a clinician scientist with over 30 years' experience in cell biology research and clinical medicine in a variety of roles including MRC Fellow, UCL Laboratory for Molecular Cell Biology; Visiting Fellow, The Jackson Laboratory, US; Lecturer and Medical Advisor, UCL Institute of Ophthalmology; and Hon Senior Lecturer, UCL School of Pharmacy, as well as senior clinical management positions. He gained a BSc in Biology and Computing, and a PhD in Neuroscience from the University of London, followed by postdoctoral work in Cambridge and medical studies at Oxford leading to the BMBCh in Clinical Medicine.

Laura Roca-Alonso
Chief Operating and Business Officer

Commenced executive role
April 2020

Skill and experience
Laura oversees business and corporate development, alliance management, competitive intelligence, and strategic communications. She works to maximise the value of our platform technologies and the growth of the business. Laura teams up with the rest of the Executive Team to devise and drive the execution of the Company's corporate strategy. Laura has a background in genetic medicines and has previously held senior business development and strategy positions during transformational times at fast-paced biotech companies such as Gyroscope Therapeutics (acquired by Novartis) and Silence Therapeutics plc. Laura received her PhD from Imperial College London, MRes in Biomedicine from UCL and BSc (Hons) in Biotechnology from UAB.

Timothy Bretherton
Chief Financial Officer

Commenced executive role
September 2023

Skill and experience
Timothy is a qualified chartered accountant with 12 years' experience in operational and finance roles. Prior to joining the Company, Timothy was a Consulting Manager at PwC London for four years where he led numerous rationalisation projects to design and implement improved accounts and budgetary workflow automation processes and to provide value added services to client operational stakeholders. He has also spent three years in audit at Mazars London and four years with Zurich Insurance plc in a variety of roles. Timothy holds a degree in Economics received from the University of Leicester.

Corporate Governance Statement

Deliver growth: Principles 1–4 of the QCA Code	
1	**Establish a purpose, strategy and business model which promote long-term value for shareholders** We bring to the biotechnology and pharmaceutical industries the power to discover new and better drugs in a more efficient and effective way – our RNAi therapeutic programs and network-driven approach are disruptive to the conventional pharmaceutical R&D model.
2	**Promote a corporate culture that is based on ethical values and behaviours** We value individuality and self-awareness and at the heart of our organisation is a philosophy of honesty and authenticity. The Company adopts a policy of equal opportunities and diversity in the recruitment and engagement of staff, as well as during the course of their employment. We endeavour to promote the best use of our human resources on the basis of individual skills and experience, matched against those required for the work to be performed. We recognise the importance of investing in our employees, and provide opportunities for training and personal development and encourage the involvement of employees in the planning and direction of their own work in line with our people strategy. We are committed to respecting the human rights of our employees, to providing them with favourable working conditions that are free from unnecessary risk and to maintaining fair and competitive terms and conditions of service at all times. These values are applied regardless of age, race, religion, gender, sexual orientation or disability. Whilst the Company will continue to make all appointments based on the best candidate for the role, it is acknowledged that diversity supports the strength and future success of the business, and the Company remains focused on achieving the right level of diversity whether related to ethnicity, gender, creed or culture. We understand that the inherent uncertainty around the long-term outlook of an R&D company can impact morale and we address this by being honest about the Company's prospects and emphasising that the contribution of each individual counts and is recognised. Regular meetings are held at which all employees have an opportunity to discuss any matters that they wish to raise in an open forum and receive updates on performance against our strategic aims. The Chief Executive Officer and all members of the Executive Committee are available and willing for all employees to discuss more sensitive or personal matters.
3	**Seek to understand and meet shareholder needs and expectations** The Board is keen to promote greater awareness of the Company and a detailed report on the Company's activities during the reporting period is contained within the Chief Executive Officer's Statement. More recent Company announcements may be found at www.etherapeutics.co.uk/investors/. Responsibility for day-to-day shareholder liaison lies with Ali Mortazavi as Chief Executive Officer and ultimately lies with the Board. The Company receives occasional feedback direct from investors. The Directors take all feedback very seriously and shareholders' views and concerns are carefully considered by the Board, with appropriate action being taken where necessary. None of the feedback received from investors has involved non-compliance with the QCA Code.

4

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

In addition to our shareholders, we believe our main stakeholder groups are our employees, suppliers, and customers.

Employees

Our people give us the knowledge that feeds into our network biology expertise and our core technological capabilities and that knowledge flows through our business model to directly create value for our shareholders. Accordingly, the long-term success of the Company relies upon the knowledge and dedication of our people, as is reflected in our strategic objectives. The Board therefore understands the importance of employee engagement, not only by offering a beneficial remuneration package and professional development support, but in engaging employees with the strategy of the Company. We continue to develop and enhance our people strategy on an ongoing basis.

Suppliers

We engage in open discussions with key suppliers and expert advisors to review progress on internal discovery programs, platform technology and corporate functions to ensure that we continue to remain aligned with our strategic objectives.

Customers

We approach all of our commercial collaborations with honesty and transparency. A successful working relationship is beneficial to all parties involved as successful projects can lead to further deals that would add value to both our shareholders and our customers, either through advancing an asset further through the drug discovery process or by applying our expertise and technologies, such as our RNAi therapeutic platform and our computational technologies, to a different area of biology or in a different way to the same area of biology.

Health and safety

We are committed to high standards of health and safety at work and understand that successful health and safety management involves integrating sound principles and practice into our day-to-day management arrangements and requires the collaborative effort of all of our employees. Our health and safety procedures are independently audited on an annual basis.

Sustainability

We care about our planet and are committed to minimising our impact on the environment. Through the use of our in silico discovery engine, we dramatically reduce the number of therapeutic hypotheses that are experimentally tested. This reduction in wet laboratory need translates into multiple resource savings, including the use of animals, energy, water and general overheads that typically contribute to a company's environmental footprint. In addition, our recent migration to cloud-based computing, including both our platform and entire back office, will help us further reduce our carbon footprint as our providers are targeting to be carbon neutral in the next two years.

5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has overall responsibility for the Company's internal control and assurance systems and for monitoring their effectiveness and is accountable for identifying procedures to minimise risk impact and implementing these at every level of the business in an ongoing process overseen by the Audit Committee.

Maintain a dynamic management framework: Principles 5–9 of the QCA Code

6

Establish and maintain the Board as a well-functioning, balanced team led by the Chair

To enable the Board to discharge its duties, briefing papers are distributed to all Directors in advance of Board and Committee meetings. All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The Board is responsible to shareholders and sets the Company's strategy for achieving long-term success. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Company.

Board of Directors

The current composition of the Board comprises David Prior as Non-Executive Chairman, Ali Mortazavi as Chief Executive Officer, Trevor Jones as Non-Executive Director and Chair of the Renumeration Committee and Michael Bretherton as Non-Executive Director and Chair of Audit Committee. Michael also took on the role of Interim Chief Financial Officer between December 2021 – September 2023. A formalised Executive Committee was established in 2020, made up of senior management and Ali Mortazavi, to manage the day-to-day operational delivery of the business model and corporate strategy. All Directors also have access to the Company Secretary.

7	**Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities** The Board comprises of the Chief Executive Officer, Non-Executive Chairman and two Non-Executive Directors,showing the board is well supported and independent. The board also maintains a broad skillset to ensure it has the necessary responsibilities to fulfil the governance responsibilities. Experience consists, but is not limited to, technology and software, growth and innovation, financial and pharma/biotech sector.
8	**Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement** The performance of the Chief Executive Officer of the Company is measured against a clearly defined set of personal objectives agreed by the Board and monitored by the Remuneration Committee. The Board keeps under review its composition and the balance of skills and experience of Non-Executive Directors.
9	**Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture** The Company maintains a remuneration policy which ensures the Executive Director is fairly rewarded for his individual contribution to the Company's overall performance and to provide a competitive remuneration package to the Executive Director (including long-term option award incentive plans) to attract, retain and motivate individuals of the experience and competence required to ensure that the Company is managed successfully in the interests of shareholders. In addition, the Remuneration Committee's policy is to reward performance in a way which seeks to align the interests of management with those of shareholders. Long-term incentive option awards are used to ensure that the focus of Directors remains on the long-term added value to the shareholders. All employees of the Company are entitled to base salary, benefits and bonus. The opportunity to earn a bonus is made available to all of the Company's employees. The maximum opportunity available is based on the seniority and responsibility of the role. All the Company's employees are eligible to be considered for long-term incentive option awards under the Long-Term Incentive Plan 2020.
Build trust: Principle 10 of the QCA Code	
10	**Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders** The Board has established an Audit Committee and a Remuneration Committee. As mentioned above, the work of each of the Board Committees undertaken during the year ended 31 January 2024 is detailed in the Audit Committee Report and the Remuneration Committee Report. The results of the proxy votes received in relation to the 2024 Annual General Meeting are available at www.etherapeutics.co.uk/investors. No resolutions had a significant proportion (>20%) of votes cast against them at that meeting. The Board has a healthy dialogue with all of its stakeholders, and throughout the course of the financial year the Board communicates with shareholders to seek their views, concerns and expectations.

Governance structure

As Non-Executive Chairman, David Prior is responsible for organising the business of the Board, ensuring its effectiveness, and setting its agenda in consultation with the other Directors. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that they communicate effectively with shareholders.

Below is a summary of the various Boards and Committees that are currently in place along with their key duties and responsibilities.

Board

- The Board is responsible for establishing a strategy and business model which promote long-term value for shareholders in alignment with the Company's vision, mission, and values.
- Oversees the adoption and delivery of the corporate governance model.
- Led by David Prior as Non-Executive Chairman.

Executive Team

- The Executive Team assists the Board in implementing strategy and policies and managing the operational and financial performance of the Company.
- Led by Ali Mortazavi as Chief Executive Officer.

Audit Committee

- The Audit Committee is responsible for all aspects of the financial reporting of the Company and ensuring the internal controls are adequate to sufficiently mitigate risk.
- Led by Michael Bretherton as Chair of the Audit Committee.
- Further details can be found within the Audit Committee Report.

Remuneration Committee

- The Remuneration Committee is responsible for ensuring the levels of remuneration are sufficient to attract and retain the Executive Directors and senior management needed in order to support the Company's strategy and promote long-term sustainable success.
- Led by Trevor Jones as Chair of the Remuneration Committee.
- Further details can be found within the Remuneration Committee Report.

Board and Committee skills and experience

The Board and Committees have a broad range of skills, including in-depth experience in the biotechnology and pharmaceutical sector, and an appropriate balance of financial and public market skills and experience to enable the Board to deliver the Company's strategy for the benefit of shareholders over the medium to long term. The balance of skills and experience of the Board and Committees during the year under review and up to the date of this report is summarised below:

	Biotech pharma sector	Financial	Strategic leadership	Corporate governance	Employee engagement and remuneration	Other public company (Board level)
Executive Director						
Ali Mortazavi	✓	✓	✓	✓	✓	✓
Non-Executive Directors						
David Prior	✓	✓	✓	✓	✓	✓
Trevor Jones	✓		✓	✓	✓	✓
Michael Bretherton	✓	✓	✓	✓	✓	✓
Executive Committee						
Alan Whitmore	✓		✓		✓	
Laura Roca-Alonso	✓		✓		✓	
Timothy Bretherton		✓	✓	✓	✓	

Each Director takes responsibility for maintaining their own skill set, which includes roles and experience with other boards and organisations, as well as attending formal training and seminars. The experience and knowledge of each of the Directors gives them the ability to constructively challenge the Company's strategy and to scrutinise performance. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties.

Throughout their period in office, the Directors are regularly updated on the Company's business, the competitive and regulatory environments in which it operates, corporate social responsibility matters and other changes affecting the Company and the industry it operates in as a whole by written briefings and meetings with senior management and, where appropriate, external advisors. Directors are also advised on appointment of their legal and other duties and obligations as a Director of a company, both in writing and in meetings with the Company Secretary. They are reminded of these duties, and they are also updated on changes to the legal and governance requirements of the Company and on themselves as Directors.

The Company Secretary provides information and advice on corporate governance and individual support to Directors on any aspect of their role. The Company Secretary is also responsible for ensuring that Board procedures are followed, that the Company complies with company law and that the Board receives the information it needs to fulfil its duties effectively.

e-therapeutics is a strong supporter of diversity in the boardroom and remains of the opinion that appointments to the Board should be made relative to a number of different criteria, including diversity of gender, background and personal attributes, alongside the appropriate skill set, experience and expertise. Directors are continually seeking to bring diversity to the Board and it remains to be a standing agenda item.

Independence of Directors

The Board has considered and determined that, since the date of their respective appointment, David Prior and Trevor Jones are independent in character and judgement and they:

- have not been an employee of the Company within the last five years;
- have not, or have not had within the last three years, a material business relationship with the Company;
- have no close family ties with any of the Company's advisors, Directors or senior employees;
- do not hold cross-directorships or have significant links with other Directors through involvement in other companies or bodies; and
- do not represent a significant shareholder.

Michael Bretherton is not considered independent because of his potential dealing with one of the Company's major shareholders, Richard Griffiths. Richard Griffiths owns 29.97% of the ordinary share capital of e-therapeutics through a number of his controlled companies including Blake Holdings Limited, where Michael is also a Non-Executive Director. Michael is deemed independent in all other matters.

The QCA Code recommends that a board has at least two independent non-executive directors.

Michael Bretherton, who was appointed as a Non-Executive Director of the Company in February 2020, also held the role of Interim Chief Financial Officer with effect between December 2021 to September 2023.

The Non-Executive Directors constructively challenge and help develop proposals on strategy and bring strong judgement, knowledge, and experience to the Board's deliberations. The Non-Executive Directors are of sufficient experience and competence that their views carry significant weight in the Board's decision making.

Trevor Jones receives 50% of his remuneration by the issue of fully paid shares and the Board does not deem this to impugn his independence as a Non-Executive Director but considers rather that this arrangement aligns the interests of shareholders and the Non-Executive Directors in an appropriate manner. Trevor is, therefore, considered to be independent.

The Company Secretary maintains a register of outside interests and any potential conflicts of interest are reported to the Board. The Non-Executive Directors have regular opportunities to meet without the Chief Executive Officer being present (including time after Board and Committee meetings).

Time commitments

On joining the Board, Non-Executive Directors receive a formal appointment letter, which identifies the terms and conditions of their appointment and, in particular, the time commitment expected of them. A potential Director candidate (whether an Executive Director or Non-Executive Director) is required to disclose all significant outside commitments prior to their appointment. The Board is satisfied that the Non-Executive Directors and Non-Executive Chairman can, and do, devote sufficient time to the Company's business.

Attendance at Board and Committee meetings

During the financial year, the Board met six times by video conference, in person and by telephone. In addition, authority was delegated on an ad hoc basis to subcommittees to deal with statutory matters, such as the final approval of the announcements of the full-year results and interim statement. Attendance at those subcommittee meetings is not reported below. The number of meetings attended by each Director who held office during the year was as follows:

	Board	Audit Committee	Remuneration Committee	Scientific Advisory Board	Executive Committee
Executive Director					
Ali Mortazavi	6/6	2/2	2/2		9/9
Non-Executive Directors					
David Prior[a]	–	–	–		
Trevor Jones	6/6	2/2	2/2		
Michael Bretherton	6/6	2/2	2/2		
Scientific Advisory Board[b]					
Paul Burke				–	
John Mattick				–	
Bill Harte				–	
Executive Committee					
Alan Whitmore					9/9
Laura Roca-Alonso[c]					8/9
Timothy Bretherton	6/6	2/2	2/2		9/9
Alison Gallafent[d]					3/6

a. David Prior joined the board on 23rd May 2024, therefore there were no eligible meetings for him to attend.
b. The scientific Advisory Board was dissolved during FY23/24 in-line with maturation of our in house RNAi pipeline, with plans to engage relevant advisors in due course and leadership having access to key opinion leaders in the interim.
c. Laura Roca-Alonso was on maternity leave between July 23 to January 24.
d. Alison Gallafent ceased to be a member of the Executive Committee as of November 2023.

Attendance is expressed as the number of meetings attended/number eligible to attend. Directors' attendance by invitation at meetings of Committees of which they are not a member is not reflected in the above table.

Board performance

The Board is mindful that it needs to continually monitor and identify ways in which it might improve its performance and recognises that board evaluation is a useful tool for enhancing a board's effectiveness. Any performance-related remuneration is determined by the Remuneration Committee. In conducting the formal annual evaluation, the Board undertakes an assessment of its own performance, balance of skills, experience, independence, diversity (including gender diversity) and other factors relevant to its effectiveness (and of that of its Committees) and the performance of its individual Directors.

Statement by the Chair of the Audit Committee

On behalf of the Board, I am pleased to present our Audit Committee Report for the year ended 31 January 2024.

The Audit Committee is responsible for all aspects of the financial reporting of the business and has considered not only the integrity of financial reporting, but also how the challenges faced by the Company may flow through into internal control and the procedures implemented to sufficiently mitigate risk.

The Company's risk management, including review of principal risks and mitigations, is a permanent focus of the Audit Committee, although particular focus would be made in the context of any issues raised by the independent Auditor, a member of the Board or any employee under the whistleblowing policy.

The Audit Committee is also responsible for monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, including a review of the Company's accounting policies and areas of significant judgement and uncertainty.

The Audit Committee manages the relationship between the Company and its external Auditor.

The independence of the Auditor is kept under review and is considered at least annually with the aid of a memorandum presented to the Audit Committee by the Auditor.

The Audit Committee reviews the fee proposals presented by the Auditor and the scope of work is monitored carefully to ensure that independence is not compromised. Audit fees for the Company for the year amounted to £66,000 (2023: £60,000) and non-audit fees amounted to £nil (2023: £nil).

The Audit Committee is satisfied with the independence, objectivity and effectiveness of the external Auditor and the Audit Committee has not felt it necessary at this stage to propose a retendering of the audit contract. A resolution for the reappointment of Crowe U.K. LLP as the statutory auditor will therefore be proposed at this year's Annual General Meeting.

No other formal recommendations have been made to the Board by the Audit Committee and no external reports have been commissioned on financial control processes during the year ended 31 January 2024.

The Audit Committee is chaired by me, Michael Bretherton. The other members are David Prior and Trevor Jones.

Whilst David and Trevor are considered independent, I am not because I also act as a Non-Executive Director on the board of Blake Holdings Limited, a company controlled by, and through which shares in e-therapeutics are held by, Richard Griffiths, a significant shareholder of the Company. In addition, I also took on the role of Interim Chief Financial Officer with effect between December 2021 and September 2023.

Given that there are currently only three Non-Executive Directors on the Board, and given my relevant financial skills and experience, David, Trevor and I believe that it is the right course of action for me to chair this Committee and that my potential conflicts of interest do not impair my ability to do so.

At the invitation of the Committee, representatives of the external Auditor usually attend Committee meetings.

Two meetings of the Audit Committee were held during the year ended 31 January 2024 and one further meeting after the year end. In addition to formal reviews of reports from the external Auditor, the Audit Committee discussed matters relating to financial policy, controls and reporting, as follows:

Date	Matters discussed
April 2023	Review of external audit for the year ended 31 January 2023 Internal controls and risk management
December 2023	Review of external audit planning report including audit risk areas for the year ended 31 January 2024
April 2024	Review of external audit for the year ended 31 January 2024 Internal controls and risk management

The Audit Committee acts independently to ensure the interests of shareholders are protected in relation to financial reporting, internal controls, and risk management.

Michael Bretherton

Chair of the Audit Committee
5 June 2024

Statement by the Chair of the Remuneration Committee

As Chair of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report for the year ended 31 January 2024.

This report does not constitute a full directors' remuneration report in accordance with the Companies Act 2006. The Company is not required by the Companies Act 2006 to prepare such a report. We do, however, aim to achieve transparency in our decision-making process and have regard to the principles of the QCA Code, which we consider to be appropriate for a company of our size.

This report provides details of remuneration for all Directors and gives a general statement of policy on Directors' remuneration as it is currently applied. It also provides a summary of the long-term share incentive scheme currently in place.

The Directors' Remuneration Policy and Statement of Remuneration which follow this Annual Statement set out the Remuneration Committee's approach to future remuneration and provide details of remuneration for the year ended 31 January 2024. This report is intended to provide shareholders with sufficient information to judge the impact of the decisions taken by the Remuneration Committee and to assess whether remuneration packages for Directors are fair in the context of business performance.

The parts of the Statement of Remuneration that are subject to audit are highlighted within that statement.

The Remuneration Committee is mindful of shareholder views and interests, and we believe that our Directors' Remuneration Policy continues to be aligned with the achievement of the Company's business objectives. As always, the Annual General Meeting provides an opportunity for face-to-face discussions on important matters for the Company and its shareholders and I will be available to answer any questions you may have.

The Remuneration Committee aims to attract, retain, and motivate the executive management of the Company.

Prof Trevor M Jones CBE FMedSci

Chair of the Remuneration Committee
5 June 2024

Key responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for reviewing and recommending the framework and policy for remuneration of the Executive Director. The Remuneration Committee is responsible for recommending any changes in the structure of remuneration packages for the Executive Director. It also plays an important role when an Executive Director joins and leaves the Company. It recommends to the Board the terms of employment for any appointment of an Executive Director and any subsequent changes which may be needed.

It also reviews any payments which might arise on termination of an Executive Director's contract.

The Remuneration Committee recognises the importance of our reward and performance strategy in recruiting and retaining high-quality individuals who can lead, develop and sustain business growth over the longer term, bearing in mind that, being an R&D business only starting out on its revenue-generating activities, the long-term prospects are higher risk than non-R&D companies and that the Directors need to be awarded accordingly.

Membership and meetings of the Remuneration Committee

The Remuneration Committee is chaired by me, Trevor Jones, the Independent Non-Executive Director. The other members are Michael Bretherton, who is a Non-Executive Director of the Company and David Prior, who is the Independent Non-Executive Chairman. Michael also acts as a Non- Executive Director on the board of Blake Holdings Limited, a company controlled by, and through which shares in e-therapeutics are held by, Richard Griffiths, a significant shareholder of the Company. Michael is, therefore, not deemed to be independent but, due to the small size of the Board, he is required to sit on the Remuneration Committee. We do not believe his potential conflicts of interest impact his ability to be a balanced and impartial member of the Committee.

The Company Secretary acts as secretary to the Remuneration Committee.

Other Directors may attend by invitation of the Remuneration Committee. It is a fundamental principle that no individual should be able to participate in discussions about their own remuneration. The Remuneration Committee operates within terms of reference adopted by the Committee.

The Remuneration Committee met two times during the year ended 31 January 2024 and held one further meeting after the year end. The main matters of business were:

- the establishment of corporate goals and performance targets for individual Executive Team members;
- the approval of performance targets for the Chief Executive Officer (CEO);
- a review of CEO performance achievement against targets; and
- a review and approval of CEO and Executive Team member salary and bonus awards.

The Remuneration Committee did not undertake formal benchmarking of Directors' remuneration in the year ended 31 January 2024, although it did compare current remuneration with published surveys, and does not have retention agreements with any external remuneration consultants. Advice is taken from external advisors as needed in relation to specific questions and projects.

The policy of the Remuneration Committee is to ensure that the Executive Director is fairly rewarded for his individual contribution to the Company's overall performance and to provide a competitive remuneration package to the Executive Director (including long-term option award incentive plans under the Company's Long-Term Incentive Plan 2020 (LTIP) and, pre-November 2020, under the Performance Share Plan 2013 (PSP)) to attract, retain and motivate individuals of the experience and competence required to ensure that the Company is managed successfully in the interests of shareholders.

In addition, the Remuneration Committee's policy is to reward performance in a way which seeks to align the interests of management with those of shareholders.

Policy on executive remuneration

Purpose and link to strategy	Operation	Maximum potential value
Basic salary		
Attract and retain Executive Directors with sufficient experience and competence to deliver strategy.	Paid in 12 equal monthly instalments during the year.	Reviewed annually and as required to reflect the role, responsibility and performance of the individual and the Company and informally to take into account rates of pay for comparable roles in similar companies. There is no prescribed minimum or maximum increase. Current annual rates are set out in the Statement of Remuneration.
Benefits		
Provide benefits consistent with the role.	Currently these consist of health insurance and membership of a Group life assurance scheme.	The Remuneration Committee reviews the level of benefit provision from time to time and has the flexibility to add or remove benefits to reflect changes in market practices or the operational needs of the Company.
Discretionary bonus		
Incentivise achievement of business objectives by providing a reward for performance against annual targets.	Paid in cash after the end of the financial year to which it relates.	Targets are based on the appropriate progression of specific projects, together with the performance of the business as a whole. Payment of any bonus is subject to the overarching direction of the Remuneration Committee.
Long-term incentives		
Alignment of interests with shareholders delivered in the form of shares.	Grant of awards under the PSP (pre-November 2020) and LTIP (November 2020 onwards). Participants are entitled to acquire award shares after a vesting period and subject to payment of an exercise price.	There is no individual limit. For performance metrics attached to outstanding rewards see the Statement of Remuneration and Note 9 to the financial statements.
Pension		
Attract and retain Executive Directors for the long term by providing funding for retirement.	The Executive Directors are entitled to participate in money purchase arrangements.	The Company makes payments of 10% of basic salary into any pension scheme or similar arrangement as the participating Executive Director may reasonably request. Such payments are not counted for the purpose of determining bonuses or awards under the PSP/LTIP.

Long-term incentives

Long-term incentive option awards are used to ensure that the focus of Directors remains on the long-term added value to the shareholders. No long-term incentive option awards were made to Directors in the current or previous year. The Remuneration Committee will consider granting further options at the appropriate time upon careful consideration of the Company's performance and long-term goals.

Remuneration policy for all employees

All employees of the Company are entitled to base salary, benefits and bonus. The opportunity to earn a bonus is made available to all of the Company's employees. The maximum opportunity available is based on the seniority and responsibility of the role.

All the Company's employees are eligible to be considered for long-term incentive option awards under the Long-Term Incentive Plan 2020.

Statement of consideration of employment conditions of employees

The Remuneration Committee receives reports on an annual basis on the level of pay rises awarded across the Company and takes these into account when determining total remuneration for Executive Directors.

In addition, the Remuneration Committee receives regular reports on the structure of remuneration for senior management in the tier below the Executive Director and uses this information to ensure a consistency of approach for the most senior managers in the Company. The Remuneration Committee also approves the award of any long-term option award incentives for the most senior managers in the Company.

The Remuneration Committee does not specifically invite colleagues to comment on the Directors' Remuneration Policy, but it does take note of any comments made by colleagues.

Statement of consideration of shareholder views

As Chair of the Remuneration Committee, I may consult with major shareholders from time to time, or when any significant remuneration changes are proposed, to understand their expectations with regard to Executive Directors' remuneration, and report back to the Remuneration Committee. The Remuneration Committee previously consulted with certain major shareholders in relation to the introduction of the long-term incentive option awards plan. Any other concerns raised by individual shareholders are also considered. The Remuneration Committee also takes into account emerging best practice.

Approach to recruitment remuneration

The Remuneration Committee's approach to recruitment is to offer a market competitive remuneration package sufficient to attract candidates who are appropriate to the role but without paying any more than is necessary. Any new Executive Director's regular remuneration package would include the same elements and be in line with the policy table set out earlier in this Directors' Remuneration Policy, including the same limits on performance-related remuneration.

Non-Executive Directors' fee policy

The policy for the remuneration of the Non-Executive Directors is as set out below. Non-Executive Directors cannot participate in the PSP or LTIP. Non-Executive Directors are not eligible for Company pension contributions.

Purpose and link to strategy

Attract Non-Executive Directors with a broad range of experience and skills to oversee the implementation of the Company's strategy.

Operation

Non-Executive Director fees are determined by the Board within the limits set out in the articles of association and are paid in 12 equal monthly instalments during the year (subject to part-payment of fees in fully paid shares by agreement between the Company and the Director). Notice periods are three months by the Company or Non-Executive Director.

Maximum potential value

There is no prescribed minimum or maximum range increase. Current annual salary fee rates are set out in the Statement of Remuneration.

Executive Directors' service contracts, notice periods and termination payments

Provision	Policy
Notice periods in Executive Director's service contracts	Six months by the Company or Executive Director. The Executive Director may be required to work during the notice period.
Compensation for loss of office	Depending on the notice period, no more than 12 months' basic salary and benefits (including Company pension contributions and other non-cash benefits).
Treatment of annual bonus on termination	Bonuses which have already been declared and paid before the giving of notice may be retained by the Executive Director.
Treatment of unvested PSP or LTIP awards	Awards lapse on the termination of employment, although the Board has an absolute discretion (which may be exercised within the 30-day period following the termination of employment) to permit part of the awards to be exercised during the 90-day period thereafter.
Exercise of discretion	Intended only to be relied upon to provide flexibility in exceptional or inequitable circumstances. The Remuneration Committee's determination will take into account the particular circumstances of the Executive Director's departure and the recent performance of the Company.
All Directors	All Directors are subject to re-election every three years. No compensation is payable if they are required to stand down.

In the event of the negotiation of a compromise or settlement agreement between the Company and a departing Director, the Remuneration Committee may make such payments it considers reasonable in settlement of potential legal claims. Such payments may also include reasonable reimbursement of professional fees in connection with such agreements. The Remuneration Committee may also include the reimbursement of repatriation costs or fees for professional or outplacement advice in the termination package, if it considers it reasonable to do so. It may also allow the continuation of benefits for a limited period.

Michael Bretherton was appointed as a Non-Executive Director in February 2020 and subsequently also took on the role of Interim Chief Financial Officer between December 2021 and September 2023. Whilst his salary fee rate was increased to £120,000 per annum during his period as Interim Chief Financial Officer, his contract letter of appointment remained unchanged with a notice period of three months and no payment of Company pension contributions, all in line with the Non-Executive Directors' fee policy. Michael's current annual salary fee rate is set out in the Statement of Remuneration.

Directors' service contracts and letters of appointment

Copies of the current Directors' service contracts and letters of appointment (listed below) are available for inspection at the Company's registered office.

Director	Date of service contract/letter of appointment
Ali Mortazavi	10 February 2020 and subsequently 11 October 2020
Trevor Jones	28 October 2015 and subsequently 4 June 2024
Michael Bretherton	10 February 2020
David Prior	23 May 2024

Directors' insurance and indemnity

Directors' and officers' liability insurance is provided at the cost of the Company for all Directors and officers. The articles of association provide for the Company to indemnify Directors against losses and liabilities properly incurred in the execution of their duties.

Statement of Remuneration

Remuneration arrangements for the Executive Director are set by the Remuneration Committee. Remuneration is designed to align the Executive Director's remuneration with shareholders' interests. As well as fixed compensation, the Executive Director and other employees can receive cash bonuses based on achievement of individual and corporate objectives.

The Remuneration Committee decides the bonuses to be awarded.

The remuneration of the Directors for the years ended 31 January 2024 and 31 January 2023 is shown below:

	2024				
	Base salary £'000	Bonus £'000	Contributions to money purchase schemes £'000	Benefits in kind £'000	Total remuneration £'000
Executive Director					
Ali Mortazavi	**223**	**106**	**22**	**44**	**395**
Non-Executive Directors					
Trevor Jones	**55**	**–**	**–**	**–**	**55**
Michael Bretherton[a]	**91**	**–**	**–**	**–**	**91**
	369	**106**	**22**	**44**	**541**

	2023				
	Base salary £'000	Bonus £'000	Contributions to money purchase schemes £'000	Benefits in kind £'000	Total remuneration £'000
Executive Director					
Ali Mortazavi	208	–	21	41	270
Non-Executive Directors					
Trevor Jones	55	–	–	–	55
Michael Bretherton[a]	120	–	–	–	120
	383	–	21	41	445

a. Michael Bretherton was appointed as a Non-Executive Director on 10 February 2020 and subsequently also took on the role of Interim CFO between December 2021 and September 2023. Michael's salary was increased during that period in accordance with his expanded role.

Upon his initial appointment in February 2020, Ali Mortazavi was awarded 9,672,836 share options under the Performance Share Plan 2013 (PSP) with an exercise price of 0.1p and a vesting period of two years.

The options had a performance condition attached whereby options will only vest if the share price stays above 6.0p for 30 consecutive days. More information can be found in Note 9 to the financial statements.

Options granted to, and held by, Directors who served during the year are summarised below:

	Years ended 31 January 2024 and 2023				
	Options held at beginning of the year No.	Options granted during the year No.	Options exercised during the year No.	Options forfeited during the year No.	Options held at end of the year No.
Ali Mortazavi	9,672,836	–	–	–	9,672,836
	9,672,836	**–**	**–**	**–**	**9,672,836**

The options granted to, and held by, Directors who served during the year, represent the following awards:

	Years ended 31 January 2024 and 2023				
	At end of year	At beginning of year	Exercise price (p)	Date from which exercisable	Expiry date
Ali Mortazavi	**9,672,836**	9,672,836	0.1	11 February 2022	11 February 2030

The mid-market price of the Company's shares at 31 January 2024 (the last trading day of the period) was 18.13p and the range during the year was 24p to 8p.

Directors' shareholdings

The Directors of the Company who served during the year, and their interests in the issued ordinary shares of the Company, were as follows:

	Ordinary shares of 0.1p each at 31 January 2024
Ali Mortazavi	**50,941,666**
Trevor Jones	**1,293,896**
Michael Bretherton	**500,000**

During the period between 31 January 2024 and 5 June 2024, the Company received no notifications under the Market Abuse Regulation. Details of the most recently notified transactions in the ordinary shares of the Company by the Directors are available on the Company's website at https://www.etherapeutics.co.uk/news-and-media/.

Implementation of Remuneration Policy for the year ended 31 January 2025

The annual salaries and fees payable under the Directors' service contracts and letters of appointment as at 5 June 2024 are set out in the table below, together with any increase versus those reported in the previous year's Directors' Remuneration Report expressed as a percentage:

	Annual base salary/fees		
	At 5 June 2024 £'000	At 5 June 2023 £'000	Increase/ (decrease)
Ali Mortazavi	**232**	223	4%
Trevor Jones	**40**	55	(27%)
Michael Bretherton	**40**	120	(67%)
David Prior	**100**	–	N/A

The increased fees for Ali Mortazavi reflect an inflationary increase of 4% as of 1 March 2024.

The basis for determining annual bonus payments for the year to 31 January 2025 is set out in the Remuneration Policy pages of this report. The performance targets are considered commercially sensitive because of the information that they would provide to the Company's competitors but are aligned with the Company's strategic objectives set out in the Strategic Report.

The Remuneration Committee may make further awards under the LTIP during the year ending 31 January 2025. Any awards will be made subject to appropriate exercise prices and vesting periods.

Conclusion

This report is intended to provide shareholders with sufficient information to judge the impact of the decisions taken by the Remuneration Committee and to assess whether remuneration packages for Directors are fair in the context of business performance.

The Remuneration Committee is mindful of shareholder views, and we believe that our Directors' Remuneration Policy is aligned with the achievement of the Company's business objectives and the interests of shareholders.

The Directors' Remuneration Report, including the Remuneration Policy and Statement of Remuneration, was approved by the Remuneration Committee and by the Board on 5 June 2024.

Prof Trevor M Jones CBE FMedSci

Chair of the Remuneration Committee
5 June 2024

Directors' Report

The Directors present their Annual Report together with the financial statements and Auditor's Report for the year ended 31 January 2024. The Corporate Governance Statement also forms part of this Directors' Report.

General information

e-therapeutics plc (the "Company") is a public limited company incorporated in the United Kingdom, registered number 04304473.

Review of business

All operational activities were undertaken through the Company in both the year ended 31 January 2024 and the prior year.

The Company continues to invest in drug discovery research activities. The Strategic Report provides a review of the business, including the Company's trading for the year ended 31 January 2024, an indication of likely future developments, key performance indicators and risks.

Results and dividend

The Company has reported its financial statements in accordance with UK adopted international accounting standards. The results for the period and financial position of the Company are set out in the financial statements and reviewed in the Financial Review section of the Strategic Report. The Directors do not recommend the payment of a dividend (2023: £nil).

Directors' interests

The Directors' interests in the Company's shares and options over ordinary shares are shown in the Remuneration Committee Report.

Directors' remuneration

Details of the Directors' remuneration appear in the Remuneration Committee Report.

Directors' and officers' liability insurance

The Company has, as permitted by the Companies Act 2006, maintained insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

Political donations

The Company made no political donations during the current or prior year.

Financial instruments – risk management

The Company's financial risk management policy is set out in Note 20 to the financial statements.

Directors

The Directors of the Company who served during the year ended 31 January 2024 and up to the date of this report were:

Director	Capacity
Ali Mortazavi	Chief Executive Officer
David Prior	Non-Executive Chairman
Trevor Jones	Non-Executive Director
Michael Bretherton	Non-Executive Director*

* Michael Bretherton was also appointed to the role of Interim Chief Financial Officer with effect between December 2021 and September 2023.

Major shareholdings

As at 31 May 2024 (being the latest practicable date prior to the publication of this report) the Company had been notified of the following shareholders with 3% or more of the issued share capital of the Company:

	Ordinary shares of 0.1p each Number	% of ordinary shares of 0.1p each held at 31 May 2024
Richard Griffiths and controlled undertakings	175,172,197	29.97
M&G	101,875,000	17.43
Robert Quested	51,550,000	8.82
Ali Mortazavi	50,941,666	8.72
Trillian Ltd	23,752,214	4.06
David Richardson	27,428,003	4.70

Research and development

During the year ended 31 January 2024 the Company's expenditure on R&D was £10,247,000 (2023: £7,224,000).

Statement of engagement with suppliers, customers and others in a business relationship with the Company

The Directors are mindful of their statutory duty to act in the way they each consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole, as set out in our Section 172(1) Statement.

A consideration of the Company's relationship with wider stakeholders, including suppliers and customers, is disclosed in our Corporate Governance Statement.

Articles of association and capital structure

The Company's share capital, comprises a single class of ordinary shares of 0.1p each in nominal value, each carrying one vote and all ranking equally. The rights and obligations attaching to the Company's ordinary shares are set out in the Company's articles of association, copies of which can

be obtained from Companies House in the UK or by writing to the Company Secretary at 4 Kingdom Street, Paddington, London W2 6BD.

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 21 to the financial statements.

There are no restrictions on the transfer or voting of securities in the Company, and there are no agreements known to the Company which might result in such restrictions.

There are no shareholdings carrying special rights with regard to the control of the Company.

As at 31 January 2024, the Company's issued share capital was £584,335 divided into 584,335,487 ordinary shares of 0.1p each in nominal value.

Re-election of Directors

The appointment of the Chief Executive Officer is terminable by either the Company or the Chief Executive Officer on six months' notice. The appointments of the other Directors are terminable by either the Company or the individual Director on three months' notice. Each appointment is contingent on satisfactory performance and on re-election criteria.

In accordance with the Company's articles of association, each Director must be subject to re-election at least every three years. All newly appointed Directors are also subject to election by the shareholders at the first Annual General Meeting following their appointment. Accordingly, Trevor Jones, who has been director since October 2015, last re-appointed in June 2021, now needs to be re-elected after 3 years in the forthcoming Annual General Meeting of the Company on 16 July 2024. Additionally, David Prior was appointed to the board on 23 May 2024, and will need to be re-elected at the first Annual General Meeting since appointment.

Disclosure of information to Auditor

Each Director who held office at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware and the Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of Crowe U.K. LLP as Auditor of the Company is to be proposed at the forthcoming Annual General Meeting. Crowe U.K. LLP was first appointed as Auditor of the Company by the Board in January 2023 following a tender process.

Subsequent events

In April 2024, we announced a proposed raise of £28.9 million before expenses by way of a subscription by funds managed by M&G Investment Management Limited and Richard Griffiths, both existing shareholders of the Company. Net proceeds from the fundraise will be used to advance multiple GalOmic™ pipeline assets towards the clinic and initiate clinical trials on one program. We will also use the proceeds to keep our early pipeline well populated by pursuing further candidates. The strengthened cash position will also enable the accelerated development and integration of cutting-edge AI systems into HepNet™.

In addition, we delisted from the London Stock Exchange's Alternative Investment Market (AIM) on 9 May 2024. During a raise roadshow in February/March 2024, the Board was extremely disappointed by the lack of institutional UK interest in our innovative, technology-driven value propositions. Importantly, ETX struggled to get sufficient engagement from the vast majority of the institutions who were approached, reflecting the risk appetite of the UK markets. This was further supported by feedback from potential investors that said they would not invest in an AIM listed company and that ETX would be a far more attractive proposition as a private or NASDAQ listed company. As such, we believe that there is a limited available audience on the AIM market for companies such as ETX.

Annual General Meeting

The Annual General Meeting of the Company will be held at the Company's registered office at 4 Kingdom Street, Paddington, London W2 6BD at 12:30 on 16 July 2024. The notice convening the meeting is set out on pages 73 and 74 together with a summary of the business to be transacted. A copy of the notice is also available on the Company's website at https://www.etherapeutics.co.uk/investors/financials-company-documents/

Going concern

Although the Company has recognised revenue from commercial deals during the current and prior year, it is still largely reliant on its cash balance to fund ongoing operations.

At 31 January 2024, we reported cash and liquid resources of £20,665,000. The Board has prepared a detailed budget covering the forthcoming financial year, together with financial projections for the year thereafter. These support the view that the Company has sufficient cash to meet its operational requirements for at least 12 months from the signing of these financial statements.

By order of the Board

Ali Mortazavi

Cheif Executive Officer
5 June 2024

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and 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 are required to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law, the Directors must not approve the accounts 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 period. In preparing these financial statements, IAS 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.etherapeutics.co.uk).

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibilities statement

We confirm that, to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Ali Mortazavi

Cheif Executive Officer
5 June 2024

Independent Auditor's Report

To the members of e-therapeutics plc

Opinion

We have audited the financial statements of e-therapeutics plc (the "Company") for the year ended 31 January 2024, which comprise:

- Income statement for the year ended 31 January 2024;
- the statement of comprehensive income for the year ended 31 January 2024;
- the statement of changes in equity for the year ended 31 January 2024;
- the statement of financial position as at 31 January 2024;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 January 2024 and of its 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 Company 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.

Conclusions relating to going concern

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 entity's ability to continue to adopt the going concern basis of accounting included

- an assessment of the appropriateness of the approach, assumptions and arithmetic accuracy of the approved budget used by management when performing their going concern assessment for a period of at least twelve months from the date of the approval of the financial statements;
- our challenge of the underlying data and key assumptions used to make the assessment and the results of management's stress testing, to assess the reasonableness of economic assumptions.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Company financial statements as a whole to be £630,000 (2023: £460,000) based on approximately 5% of loss before tax. We did not consider it necessary subsequently to amend our assessment. Profit or loss before tax is a generally accepted auditing benchmark.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £441,000 (2023: £322,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £31,500 (2023: £23,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Company's operations are based in the UK at one central location. The audit team performed a full scope audit of the financial statements of the Company.

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 (whether or not due to fraud) that we identified. 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.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of R&D Tax Receivable (and related occurrence of R&D tax credit) As noted in Note 12, the Company has £1.9m of R&D tax receivable as of January 31, 2024. Computation of R&D tax credit claim requires significant judgements which are subjective in nature and therefore, a risk exists that the tax receivable balance (and the related expenses) may have been accounted for inappropriately.	In responding to the key audit matter, we performed the following audit procedures: • obtained an understanding of the relevant controls that management have implemented over the process for evaluating the occurrence and accuracy of the R&D tax credit and the existence and accuracy of the R&D tax receivable; • obtained management's R&D tax credit calculation and checked the mathematical accuracy of the calculations; • assessed the consistency of the calculation with that of the prior year and compared the prior year's receivables to the amounts actually paid by HMRC; • engaged our tax specialist to perform an assessment of R&D claim calculations including the reasonableness of the claim. This included reviewing the current year expenses for inclusion in the R&D claim, based on taxation legislation.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 50, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation (including in relation to claims for R&D tax credits).

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Leo Malkin
Senior Statutory Auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
5 June 2024

Income Statement

For the year ended 31 January 2024

	Notes	2024 £'000	2023 £'000
Revenue	5	**318**	475
Cost of sales		**–**	–
Gross profit		**318**	475
Research and development expenditure		**(10,247)**	(7,224)
Administrative expenses		**(3,865)**	(3,490)
Operating loss		**(13,794)**	(10,239)
Interest and investment income	10	**740**	490
Interest expense	11	**(27)**	(23)
Loss before tax		**(13,081)**	(9,772)
Taxation	12	**1,915**	1,498
Loss for the year attributable to equity holders of the Company		**(11,166)**	(8,274)
Loss per share: basic and diluted	13	**(1.91)p**	(1.54)p

Statement of Comprehensive Income

For the year ended 31 January 2024

	2024 £'000	2023 £'000
Loss for the financial year	**(11,166)**	(8,274)
Other comprehensive income	**–**	–
Total comprehensive loss for the year attributable to equity holders of the Company	**(11,166)**	(8,274)

Statement of Changes in Equity

For the year ended 31 January 2024

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 February 2022	515	99,243	(72,032)	27,726
Total comprehensive loss for the year				
Loss for the financial year	–	–	(8,274)	(8,274)
Total comprehensive loss for the year	–	–	(8,274)	(8,274)
Transactions with owners, recorded directly in equity				
Issue of ordinary shares	67	13,370	–	13,437
Equity-settled share-based payment transactions	–	–	155	155
Total contributions by and distribution to owners	67	13,370	155	13,592
As at 31 January 2023	582	112,613	(80,151)	33,044
Total comprehensive loss for the year				
Loss for the financial year	**–**	**–**	**(11,166)**	**(11,166)**
Total comprehensive loss for the year	**–**	**–**	**(11,166)**	**(11,166)**
Transactions with owners, recorded directly in equity				
Issue of ordinary shares	**2**	**35**	**–**	**37**
Equity-settled share-based payment transactions	**–**	**–**	**78**	**78**
Total contributions by and distribution to owners	**2**	**35**	**78**	**115**
As at 31 January 2024	**584**	**112,648**	**(91,239)**	**21,993**

Statement of Financial Position

As at 31 January 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Intangible assets	14	**407**	239
Property, plant and equipment	15	**988**	400
		1,395	639
Current assets			
Tax receivable	12	**1,935**	1,500
Trade and other receivables	16	**470**	259
Prepayments		**504**	553
Cash and cash equivalents	17	**20,665**	31,689
		23,574	34,001
Total assets		**24,969**	34,640
Current liabilities			
Trade and other payables	18	**2,266**	1,301
Lease liability	19	**393**	295
		2,659	1,596
Non-current liabilities			
Lease liability	19	**317**	–
Total liabilities		**2,976**	1,596
Net assets		**21,993**	33,044
Equity			
Share capital	21	**584**	582
Share premium		**112,648**	112,613
Retained earnings deficit		**(91,239)**	(80,151)
Total equity attributable to equity holders of the Company		**21,993**	33,044

These financial statements were approved and authorised for issue by the Board of Directors on 5 June 2024 and were signed on its behalf by:

Timothy Bretherton
Chief Financial Officer

Registered number: 04304473

Statement of Cash Flow

For the year ended 31 January 2024

	Notes	2024 £'000	2023 £'000
Loss for the year		**(11,166)**	(8,274)
Adjustments for:			
Depreciation, amortisation and impairment	14,15	**535**	468
Loss on disposal of fixed assets	15	**1**	10
Equity-settled share-based payment expense	9	**78**	155
Interest income	10	**(740)**	(490)
Interest expense	11	**27**	23
Taxation	12	**(1,935)**	(1,522)
Operating cash flows before movements in working capital		**(13,200)**	(9,630)
Increase in trade and other receivables		**(162)**	(75)
Increase in trade and other payables		**965**	198
R&D tax received		**1,500**	1,496
Net cash used in operating activities		**(10,897)**	(8,011)
Interest received	10	**740**	490
Interest expense	11	**(27)**	(23)
Acquisition of intangible assets	14	**(234)**	(142)
Acquisition of property, plant and equipment	15	**(247)**	(68)
Decrease in short-term investments	17	**–**	15,051
Net cash (used in)/generated from investing activities		**232**	15,308
Proceeds from issue of share capital		**37**	13,437
Repayment of lease liability	19	**(396)**	(391)
Net cash generated from financing activities		**(359)**	13,046
Net increase in cash and cash equivalents		**(11,024)**	20,343
Cash and cash equivalents at 1 February		**31,689**	11,346
Cash and cash equivalents at 31 January		**20,665**	31,689

Notes to the financial statements

1. General information

e-therapeutics plc is a company incorporated and domiciled in the UK. The nature of the operations and principal activities of the Company are set out in the Strategic Report and the Directors' Report. The registered address of the Company is 4 Kingdom Street, Paddington, London W2 6BD.

These financial statements are presented in the currency of the economic environment in which the Company operates, being Sterling. Financial information presented has been rounded to the nearest thousand pounds.

2. Standards and interpretations applied for the first time

No new standards, amendments or interpretations have become effective for the first time in these financial statements that have a material impact on the amounts reported or disclosures made.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3. Material accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost basis of accounting, except where fair value measurement is required under UK adopted international accounting standards. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently to all years presented.

Going concern

Although the Company has recognised revenue from commercial deals during the current and prior year, it is still largely reliant on its cash balance to fund ongoing operations.

At 31 January 2024, we reported cash and liquid resources of £20,665,000 inclusive of short-term investment bank deposits versus an underlying cash burn during the year of £11,024,000, including R&D tax credits received.

In April 2024, we announced a proposed raise of 28.9 million before expenses by way of a subscription by funds managed by M&G Investment Management Limited and Richard Griffiths, both existing shareholders of the Company.

We have prepared a detailed annual budget and follow-on projections which together cover a 24-month period and provide support for the view that the Company has sufficient cash to meet its operational requirements for at least 12 months from the signing of these financial statements. The budget includes a considerable increase in R&D expenditure, in line with progressing our strategic aims as detailed within the Strategic Report. This expenditure is largely uncommitted and discretionary and would be reduced or postponed if required to manage the Company's cash resources.

The financial performance and position of the Company are discussed in more detail within the Strategic Report.

These financial statements have been prepared on a going concern basis, given the points discussed above. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Foreign currencies

The financial statements are presented in Sterling, being the functional currency. Transactions in foreign currencies are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in the Income Statement.

Revenue

Rendering of services under contracts with customers

Revenue is recognised on collaborative transactions in the area of drug discovery. All contracts with customers are reviewed individually in accordance with the IFRS 15 five-step process for revenue recognition. Where consideration is fixed and services are deemed to be transferred over time, on the basis that customers influence the direction of the project and therefore the requirements of the performance obligations to be delivered, revenue is recognised over time based on the ratio of time spent by employees in the period to the total time expected to be spent to complete the performance obligation.

All other revenue for services is recognised at the point at which the performance obligation, as defined in the contract and as aligned to a customer deliverable, has been completed. Every performance obligation has a defined transaction price. Milestone payments, all of which have a defined transaction price, will be recognised when the related performance obligation is satisfied, and the Company considers that it is highly probable that there will not be a significant reversal of cumulative revenue in future periods. e-therapeutics utilises its powerful computer-based platform technologies in the delivery of its projects with collaborators. Licence income fees associated with the right to access the Company's proprietary platform throughout the project are recognised as revenue over the length of the contract in accordance with IFRS 15.B58. Customers may be invoiced wholly or partly upfront, with the balance upon completion of specific performance obligations. The

Company recognises contract liabilities on the Balance Sheet for consideration received in excess of the revenue recognised.

Interest income and expenditure

Interest income and expenditure is recognised in the Income Statement as it accrues on a timely basis, by reference to the principal outstanding and effective interest rate applicable.

Expenses

Defined contribution pension plans

Payments to defined contribution pension plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payments to employees are measured at fair value of the equity instruments at the grant date, excluding the effect of non-market-based vesting conditions. Details regarding the determination of the fair value are included in Note 9.

The grant-date fair value is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each Balance Sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimate is recognised in the Income Statement such that the cumulative share-based payments charge reflects the revised amount. The share-based payments charge is matched by a corresponding credit to the retained earnings reserve in the Statement of Changes in Equity.

Taxation

Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Small and medium-sized enterprise (SME) R&D tax credits receivable are recognised within taxation in the Income Statement.

Research and development expenditure credit (RDEC) is recognised within operating loss.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years. R&D tax credits are recognised in the period to which the corresponding R&D spend relates, to the extent that any R&D tax credits receivable are expected to be recovered and meet R&D tax rule requirements.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, using tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws that have been enacted or substantively enacted at the Balance Sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

R&D expenditure

All R&D expenditure, which comprises a proportion of employee salaries and directly attributable overheads, is currently recognised in the Income Statement as incurred on the basis that the recognition criteria of IAS 38 'Intangible Assets' are currently not met.

Patents and trademarks

External expenditure on the creation of patents and trademarks is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Expenditure to maintain patents and trademarks after the date of their grant is written off as incurred. Patents and trademarks are amortised on a straight-line basis over the remainder of their term from the date of their grant.

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses from derecognition of an intangible asset are recognised in the Income Statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful lives of the assets, on the following bases:

Right-of-use property:	Over the remaining lease term
Plant and equipment:	25%–33% per annum
Fixtures and fittings:	15% per annum

Depreciation methods, useful lives and residual values are reviewed at each Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Impairment of intangible and tangible assets

The carrying amounts of the Company's intangible and tangible assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognised in the Income Statement to the extent that the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset or its cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years.

Leased assets

Right-of-use assets are measured at cost, being the initial measurement of the lease liability plus any prepaid amounts and less depreciation which is calculated on a straight-line basis over the lease term. A corresponding lease liability is recognised at the present value of lease payments unpaid at the Balance Sheet date. Interest accrues on the lease liability at a rate of interest appropriate for financing such assets or as stipulated on the lease agreement. Subsequent to initial measurement, the liability will be reduced by lease payments.

The company has elected to account for short-term leases of 12 months or less and low value leases using the practical expedients. Payments in relation to these leases are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

Financial instruments

The Company applies IFRS 9 'Financial Instruments'. Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value.

Financial assets

All financial assets will be realised through the collection of contractual cash flows; hence they are subsequently measured at amortised cost using the effective interest method, less expected credit losses judged as the discounted probability weighted outcomes of default at recognition. Interest income and expense are recognised in the Income Statement as interest accrues using the effective interest rate.

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount and the consideration payable is recognised in the Income Statement. Interest expense is recognised in the Income Statement, except for short-term payables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and term deposits with an initial maturity of not more than three months.

4. Accounting judgements and sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are reviewed on a going concern basis.

The following are the key judgements that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in these financial statements:

- As detailed in Note 3, there are various revenue streams from collaborative partnerships. Management reviews these revenue streams against the IFRS 15 criteria to establish whether revenue should be recognised over time or at a point in time. Revenue recognised over time results in a difference between upfront cash receipts and revenue recognised, the balance of which is recorded on the Balance Sheet. Revenue recognised from collaborative partnerships and corresponding contract liabilities reflects management's best estimate of each contract's stage of completion. Management estimates project progress at each reporting date, with consideration of project plans outlined in customer contracts, and remeasures revenue accordingly. At the year end, deferred revenue liability was £nil (2023: £nil). Revenue of £318,000 (2023: £475,000) is made up of £318,000 (2023: £475,000) recognised at a point in time and £nil (2023: £nil) over time.
- The Directors have not recognised a deferred tax asset based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. The potential deferred tax asset is disclosed in Note 12.

4. Accounting judgements and sources of estimation uncertainty continued

The following are the key assumptions concerning estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- The current tax receivable, of £1,935,000 (2023: £1,500,000), represents an R&D tax credit based on an advance claim with HMRC. The final receivable is subject to judgement and the correct application of complex R&D tax rules. The minimum receipt approved by HMRC could be £nil. Historically, final claims have been successful and materially in line with the receivable recognised in the financial statements. The Company expects the current year to be successful too.

5. Segmental reporting

Financial information is reported to the Company's Chief Executive Officer (the Chief Operation Decision Maker) as one business segment, being that of drug discovery.

All Company activities are carried out in the UK and all of the Company's assets and liabilities are located in the UK, with the exception of some activities and assets relating to 2 employees (2023: none) who work via an Employer of Record in the United States of America.

Revenue recognised of £318,000 (2023: £475,000) includes £nil (2023: £nil) of deferred revenue at the beginning of the period.

There are no performance obligations from existing revenue contracts that are unsatisfied or partially satisfied as at 31 January 2024.

Revenue during the current financial year was generated from one external customer. Management expects to enter into further commercial collaborations in the coming financial year, diversifying revenue from external customers.

6. Auditor's remuneration

	2024 £'000	2023 £'000
Amounts receivable by the Auditor and its associates in respect of:		
– audit of the Company's annual financial statements	**66**	60

7. Staff numbers and costs

The average number of persons employed by the Company (including Executive Directors and excluding Non-Executive Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2024	**2023**
R&D staff	**23**	26
Finance and administration staff	**11**	11
Executive Directors	**1**	1
	35	38

The aggregate payroll costs of these persons were as follows:

	2024 £'000	**2023 £'000**
Wages and salaries	**4,107**	4,213
Share-based payments (see Note 9)	**78**	155
Social security costs	**470**	509
Contributions to money purchase pension schemes	**285**	316
Compensation for loss of office	**59**	–
	4,999	5,193

The Company makes defined pension contributions into money purchase schemes nominated by employees. The total expense relating to these plans is £285,000 (2023: £316,000). At the reporting date, there were outstanding contributions of £33,000 (2023: £40,000) accrued but not yet paid.

8. Directors' remuneration

	2024 £'000	**2023 £'000**
Directors' emoluments	**519**	424
Contributions to money purchase pension schemes	**22**	21
	541	445

The remuneration of the highest paid Director during the year was £373,000 (2023: £249,000). In addition, contributions to money purchase schemes in respect of the highest paid Director during the year were £22,000 (2023: £21,000).

During the year, one Director (2023: one) accrued retirement benefits under a money purchase scheme. No Director sold or exercised share options during the year. Further information on the Directors' remuneration can be found within the Remuneration Committee Report.

9. Share-based payments

The Company uses share options to incentivise, attract and retain the best people as part of our comprehensive people strategy and to align remuneration with the medium to long-term strategic goals of the Company. All options granted before October 2020 were granted under the e-therapeutics Performance Share Plan 2013 (PSP) and all options granted from October 2020 onwards were granted under the e-therapeutics Long-Term Incentive Plan 2020 (LTIP).

All of the 1,830,000 share options granted during the year carry no performance conditions other than for remaining as an employee on the basis that the key aim was to ensure the continued motivation of the current employees and to attract certain new skills integral to the Company's scale-up growth ambitions, details of which are included in the Strategic Report accompanying these financial statements. Despite the absence of performance conditions on share options granted during the year, management understands the importance of attaching performance conditions to share options granted and will continue to fully consider this on a case-by-case basis depending on how the granting of options fits in with our overall people strategy.

Vesting periods reflect a period of time that management believes will motivate and retain employees whilst taking into account the stage of R&D development and business lifecycle of e-therapeutics.

The terms and conditions of all options in issue during the year are shown below:

Date of grant	Number of instruments at end of year	Number of instruments at beginning of year	Exercise price (p)	Vesting period	Date exercisable	Performance conditions
March 2019	500,000	1,250,000	2.8	3 years	Upon vesting	Note 1
May 2019	500,000	500,000	2.1	3 years	Upon vesting	Note 1
February 2020	9,672,836	9,672,836	0.1	2 years	Upon vesting	Note 2
March 2020	1,500,000	3,550,000	0.1	3 years	Upon vesting	N/A
April 2020	3,000,000	3,000,000	0.1	3 years	Upon vesting	N/A
June 2021	–	300,000	10.0	3 years	Upon vesting	N/A
June 2021	413,322	500,000	12.0	3 years	Upon vesting	N/A
September 2021	100,000	100,000	20.0	3 years	Upon vesting	N/A
February 2022	700,000	700,000	20.0	3 years	Upon vesting	N/A
March 2022	1,000,000	1,000,000	20.0	3 years	Upon vesting	N/A
May 2022	300,000	600,000	23.2	3 years	Upon vesting	N/A
July 2023	665,000	–	18.0	3 years	Upon vesting	N/A
July 2023	232,500	–	19.0	2 years	Upon vesting	N/A
July 2023	232,500	–	19.0	3 years	Upon vesting	N/A
December 2023	700,000	–	7.0	3 years	Upon vesting	N/A
Total	**19,516,158**	**21,172,836**				

Note 1

Options vest on a straight-line basis between 50% and 100% if share performance is between the minimum and maximum performance targets. These targets are based on the percentage increase in share price in relation to a comparator group of peer companies These performance conditions were met in previous years.

Note 2

These options were granted to Ali Mortazavi, current CEO, upon his initial appointment as Executive Chairman in February 2020. The options include the performance condition whereby they will vest in full, at the end of the vesting period, if e-therapeutics' share price reaches and remains at 6.0p for a period of 30 consecutive days at any time during that period. This performance condition was met in previous years.

9. Share-based payments continued

If any of the above options remain unexercised after a period of ten years from the date of grant they will automatically expire.

The number and weighted average exercise prices of share options are as follows:

Options	Weighted average exercise price 2024 p	Number of options 2024	Weighted average exercise price 2023 p	Number of options 2023
Outstanding at the beginning of the year	**3.1**	**21,172,836**	1.1	22,100,614
Exercised during the year	**(1.1)**	**(2,050,000)**	–	–
Forfeited during the year	**(7.7)**	**(1,436,678)**	(3.4)	(3,527,778)
Expired during the year	**–**	**–**	–	–
Granted during the year	**14.0**	**1,830,000**	20.7	2,600,000
Outstanding at the end of the year	**4.0**	**19,516,158**	3.1	21,172,836
Exercisable at the end of the year	**0.8**	**15,586,518**	0.5	11,422,836

The options outstanding at the year end have a weighted average remaining contractual life of seven years (2023: seven years).

Where options have performance conditions attached, the fair value of those options have been valued using the Monte Carlo option pricing model. Where options have no performance conditions attached, the fair value of those options have been valued using the Black Scholes option pricing model. In both models, volatility has been estimated by reference to historical share price data over a period commensurate with the expected term of the options awarded.

The assumptions for the option grants during the current year were:

Date of grant	December 2023	July 2023	July 2023	July 2023
Option pricing model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Share price at date of grant (p)	9.05	17.98	17.92	17.92
Minimum vesting period	3 years	3 years	2 years	3 years
Exercise price (p)	7.00	18.00	19.00	19.00
Expected volatility	61.76%	60.66%	60.63%	60.63%
Risk-free rate	4.06%	4.70%	5.11%	4.98%
Dividend yield	0%	0%	0%	0%
Number of shares	700,000	665,000	232,500	232,500
Fair value per option (p)	4.70	7.94	6.19	7.65

The total expense recognised for the year arising from equity-settled share-based payments is as follows:

	2024 £'000	2023 £'000
Company equity-settled share-based payments	**78**	155

10. Interest income

	2024 £'000	2023 £'000
Bank interest receivable	**740**	242
Dividend from subsidiary	**–**	248
	740	490

11. Interest expense

	2024 £'000	2023 £'000
Lease interest payable	**27**	23

12. Tax

	2024 £'000	2023 £'000
SME R&D tax credit receivable for the current year	**(1,915)**	(1,483)
Adjustments for prior year in respect of SME R&D tax credit	**–**	(15)
Current tax credit	**(1,915)**	(1,498)
Deferred tax	**–**	–
Total tax credit on loss on ordinary activities	**(1,915)**	(1,498)

The standard rate of corporation tax applied to reported profit is 25% (2023: 19%). The credit for the year can be reconciled to the Income Statement as follows:

	2024 £'000	2023 £'000
Loss before tax	**(13,082)**	(9,772)
Tax at the UK corporation tax rate of 25% (2023: 19%)	**(3,140)**	(1,857)
Expenses not deductible for tax purposes	**7**	(3)
Enhanced relief for SMEs in relation to R&D	**(280)**	(635)
Unrelieved tax losses	**1,541**	1,034
Income not taxable	**–**	(47)
Other	**(43)**	25
Adjustments in respect of prior year	**–**	(15)
Total tax credit for the year	**(1,915)**	(1,498)

12. Tax continued

The total tax credit recognised within the Income Statement is £1,935,000 (2023: £1,522,000), which is comprised of the small or medium-sized enterprise (SME) R&D tax relief of £1,919,000 (2023: £1,498,000) and research and development expenditure credit (RDEC) of £16,000 (2023: £24,000). The SME tax credit is shown within taxation, as reconciled above. The RDEC is included within research and development expenditure in the Income Statement on the basis that the RDEC is treated as taxable income, being an "above the line" relief.

The tax receivable on the Balance Sheet, of £1,935,000 (2023: £1,500,000), is made up of current year SME tax relief of £1,915,000 (2023: £1,483,000) and RDEC of £20,000 (2023: £17,000). Historically, R&D credits relating to both the SME scheme and the RDEC scheme have been received from HMRC as a single payment.

The Company has accumulated losses available to carry forward against future trading profits of £44,615,000 (2023: £38,162,000). No deferred tax has been recognised in respect of tax losses since it is uncertain at the Balance Sheet date as to whether future profits will be available against which the unused tax losses can be utilised. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 25% which became effective from 1 April 2023 (2023: 25%), is £11,871,000 (2023: £10,237,000).

The current year R&D credit has not yet been approved by HMRC and, therefore, there is a risk that this claim may not be successful.

13. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	2024	2023
Losses for the purposes of basic loss per share and diluted loss per share, being loss attributable to owners of the Company (£'000)	**(11,166)**	(8,274)
Weighted average number of ordinary shares for the purposes of basic loss per share and diluted loss per share (number)	**584,335,487**	537,346,310
Loss per share – basic and diluted (p)	**(1.91)**	(1.54)

Diluted LPS is calculated in the same way as basic LPS but also with reference to reflect the dilutive effect of share options in existence at the year end over 19,516,158 (2023: 21,172,836) ordinary shares (see Note 9). The diluted loss per share is, however, identical to the basic loss per share, as potential dilutive shares are not treated as dilutive where they would reduce the loss per share.

14. Intangible assets

	Goodwill £'000	Patents and trademarks £'000	Total £'000
Cost			
As at 1 February 2022	2,824	1,405	4,229
Additions	–	142	142
Disposals	(2,824)	–	(2,824)
As at 31 January 2023	–	1,547	1,547
Additions	–	234	234
Disposals	–	–	–
As at 31 January 2024	**–**	**1,781**	**1,781**
Amortisation and impairment			
As at 1 February 2022	2,824	1,303	4,127
Amortisation charge for the year	–	5	5
Disposals	(2,824)	–	(2,824)
As at 31 January 2023	–	1,308	1,308
Amortisation charge for the year	–	4	4
Impairment losses	–	62	62
As at 31 January 2024	**–**	**1,374**	**1,374**
Net book value			
As at 1 February 2022	–	102	102
As at 31 January 2023	–	239	239
As at 31 January 2024	**–**	**407**	**407**

Research and development costs of £10,247,000 (2023: £7,224,000) have been recognised in the Income Statement.

Amortisation

Amortisation has been charged on patents for which the registration process is complete, over the term granted. Amortisation is included within administrative expenses.

15. Property, plant and equipment

	Right-of-use property £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
As at 1 February 2022	802	278	145	1,225
Additions	–	68	–	68
Disposals	–	(23)	–	(23)
As at 31 January 2023	802	323	145	1,270
Additions	811	247	–	1,058
Disposals	(802)	(2)	–	(804)
As at 31 January 2024	**811**	**568**	**145**	**1,524**
Depreciation				
As at 1 February 2022	117	199	104	420
Depreciation charge for the year	401	55	7	463
Disposals	–	(13)	–	(13)
As at 31 January 2023	518	241	111	870
Depreciation charge for the year	402	61	6	469
Disposals	(802)	(1)	–	(803)
As at 31 January 2024	**118**	**301**	**117**	**536**
Net book value				
As at 1 February 2022	685	79	41	805
As at 31 January 2023	284	82	34	400
As at 31 January 2024	**693**	**267**	**28**	**988**

Disclosure relating to the corresponding lease relating to the right-of-use asset is shown in Note 19. Depreciation charges are included within administrative expenses.

16. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	**–**	–
Other receivables	**470**	259
	470	259

There is no expected credit loss provision in respect of other receivables in the current or prior year for the Company. All debts are not past due in the current or prior year. The Company's management has received no indication that any unimpaired amounts will be irrecoverable. Further details of financial assets are shown in Note 20.

17. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	**4,877**	3,616
Bank deposits on 32 days' notice	**5,563**	12,879
Bank deposits on 35 days' notice	**10,225**	15,194
Cash and cash equivalents	**20,665**	31,689

The Company's treasury policy primary objective is to minimise the risk of a loss of capital and to eliminate any loss of liquidity which would have a detrimental effect on the business. Short-term surplus funds are deposited with reputably rated banks for maturities of not more than 35 days.

18. Trade and other payables

	2024 £'000	2023 £'000
Current		
Trade payables	**1,089**	429
Other taxation and social security	**109**	124
Other payables	**96**	70
Accrued expenses	**972**	678
	2,266	1,301

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Further details of financial liabilities are shown in Note 20.

19. Lease liability

	2024 £'000	2023 £'000
Current		
Lease liability	**393**	295
Non-current		
Lease liability	**317**	–
	710	295

The lease liability relates to one office property. The second lease began in October 2023 and has a remaining term of 21 months. The corresponding right-of-use asset is disclosed in Note 15.

19. Lease liability continued

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or leases for which the underlying asset value is low. Payments made under such leases are expensed on a straight-line basis. The amount recognised within administrative expenses for short-term leases was £nil (2023: £19,000) and the minimum lease payment at the Balance Sheet date totalled £nil (2023: £nil). The amount recognised within administrative expenses for low value leases was £6,000 (2023: £6,000) and the minimum lease payment at the Balance Sheet date was £5,000 (2023: £11,000). The movement in the Company's lease liability, as reflected in the cash flow, is as follows:

	£'000
As at 1 February 2022	686
Additions	–
Repayments	(391)
As at 31 January 2023	295
Additions	811
Repayments	(396)
As at 31 January 2024	**710**

20. Financial instruments

The prime objectives of the Company's policy towards financial instruments are to maximise returns on the Company's cash balances, manage the Company's working capital requirements and finance the Company's ongoing operations. Details of the significant accounting policies for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

The carrying amount of financial assets, all measured as loans and receivables at amortised cost, and financial liabilities, all measured at amortised cost, is as follows:

	2024 £'000	2023 £'000
Financial assets		
Included within other receivables (Note 16)	**470**	259
Cash and cash equivalents (Note 17)	**20,665**	31,689
	21,135	31,948
Financial liabilities		
Trade payables (Note 18)	**1,089**	429
Lease liability (Note 19)	**710**	295
Included within other payables (Note 18)	**96**	70
	1,895	794

Management believes that there is no material difference between the carrying value of financial assets or financial liabilities and their fair value. There were no net gains or losses, except interest revenue and expenditure, recognised in the Income Statement in relation to financial assets or liabilities recognised at amortised cost. Interest and investment income received on cash balances and fixed-term deposits totalled £740,000 (2023: £490,000). Interest expenditure recognised on lease liabilities and cash balances totalled £27,000 (2023: £23,000).

Capital management

The Company finances its operations through its revenue-generating commercial collaborations, the issue of new shares and the management of working capital. The Company's capital resources are managed to ensure it has resources available to invest in operational activities designed to generate future income. These resources were represented by £20,665,000 of cash and short-term investment bank deposits as at 31 January 2024 (2023: £31,689,000).

20. Financial instruments continued

Management of financial risk

The key risks associated with the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The Board is responsible for managing these risks and the policies adopted, which have remained largely unchanged throughout the year, and are set out below.

Credit risk

The Company has adopted a treasury policy that aims to maintain a high level of security of deposited funds as well as optimising income generated from those funds and ensuring that the Company has adequate working capital for ongoing activities. Management considers the credit risks on liquid funds to be limited, since the counterparties are banks with high credit ratings and balances are monitored to prevent reliance on any one bank. There are no material supplier financing arrangements. A list of approved deposit counterparties with monetary limits for each is maintained and is reviewed by the Audit Committee.

The carrying amount of trade and other receivables, of £470,000 (2023: £259,000), represents the maximum exposure to credit risk from financial assets excluding cash. Management does not expect any future credit loss; hence no loss allowance has been recognised in these financial statements for the current or prior year. Management considers the Company's exposure to credit risk to be immaterial.

The Company only deals with reputable customers and customers are required to pay an upfront element, which mitigates the credit risk. Credit terms average 23 days (2023: 20 days).

Liquidity risk

The Company manages its liquidity risk by monitoring short-term cash flows, against monthly forecast requirements and longer-term cash flows against annual budgets and rolling monthly cash forecasts and by matching the maturity profiles of financial assets and liabilities. All of the financial assets disclosed in the table have a contractual maturity of not more than 35 days (2023: not more than 35 days).

Interest rate risk

The Company has deemed interest-bearing debt in issue applying to the lease liability at a deemed rate appropriate for financing of such assets and which has been determined at rates between 4.1% and 9.3%. Interest payable on lease liability balances was £27,000 (2023: £20,000). Interest received on bank deposit balances was £740,000 (2023: £195,000), earned at interest rates of between 0% and 4.40% (2023: 0% and 3.35%). Management does not consider that a fluctuation in interest rates would have a material impact on the Company.

Foreign exchange rate risk

Financial assets and liabilities at the year end and at the prior year end that are not originally Sterling balances are immaterial. A net foreign exchange gain of £36,000 (2023 net loss: £140,000) is recognised in administrative expenses.

21. Share capital

The share capital of e-therapeutics plc consists of fully paid ordinary shares with a nominal value of £0.001 each. The Company has one class of ordinary shares, which carries no right to fixed income. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

	No. of ordinary shares	
	2024 '000	**2023 '000**
In issue as at 1 February	**582,159**	514,571
Share issue	**2,176**	67,588
Total shares authorised and in issue as at 31 January – fully paid	**584,335**	582,159

2,050,000 shares were issued during the year on the exercise of share options. In addition, 126,155 shares were issued during the year as part-payment of Non-Executive Director fees. Proceeds received in excess of the nominal value of the shares issued during the year have been included in share premium. As at 31 January 2024, the Company had 584,335,487 (2023: 582,159,332) ordinary shares of 0.1p each in issue.

22. Capital commitments

At the year end, the Company had not entered into contractual commitments for the acquisition of any capital items (2023: £nil).

23. Related parties

The remuneration of the Directors, who are the key management personnel of the Company, is disclosed in Note 8.

Key management personnel

The Executive Committee and Board of Directors are designated as key management personnel. Key management personnel remuneration includes the following expenses:

	2024 £'000	2023 £'000
Short-term employee benefits		
Salaries including bonuses	**1,705**	1,549
Social security costs	**215**	203
Health insurance	**51**	48
Compensation for loss of office and payments in lieu of notice	**49**	–
	2,020	1,800
Post-employment benefits		
Defined contribution pension plans	**75**	102
Share-based payments	**63**	160
Total remuneration	**2,158**	2,062

Jonny Wray ceased to be a member of the executive team as of August 2022 and his employment ended in February 2023. He exercised options in April 2023 to acquire 500,000 shares at an exercise price of 2.8p and in September 2023 to acquire 750,000 shares at an exercise price of 0.1p. No current key management personnel exercised share options during the year (2023: nil).

24. Subsequent events

In April 2024, the Company announced an equity subscription fundraise of £28.9 million by M&G Investment Management Limited and by Richard Griffiths, both existing shareholders of the Company. The proceeds are execpted to be received in early July 2024.

After that date, the Company announced a proposed delisting of its shares from the London Stock Exchange's Alternative Investment Market (AIM) and which subsequently became effective on 9 May 2024.

Notice of Annual General Meeting of e-therapeutics plc

(Incorporated and registered in England and Wales under company number 04304473)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about its content or as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent advisor if you are in a territory outside the United Kingdom.

If you have sold or transferred all your shares in e-therapeutics plc, please pass this document and the accompanying proxy form to the purchaser or transferee or to the stockbroker or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

Notice is hereby given that the 2024 Annual General Meeting of e-therapeutics plc (the "Company") will be held at the Company's registered office at 4 Kingdom Street, Paddington, London W2 6BD at 12:30 on 16 July 2024 to consider and, if thought fit, pass the following resolutions as ordinary resolutions other than resolution 7, which will be proposed as a special resolution:

Ordinary business

1. To receive the accounts for the financial year ended 31 January 2024 together with the Directors' Report and the Auditor's Report for that period.

2. To re-elect Trevor Jones as a Director of the Company, who has been a Director since 28 October 2015 and was last re-elected by shareholders in June 2021.

3. To re-elect David Prior as a Director of the company, who was appointed by the Board on 23 May 2024, as Non-Executive Chairman.

4. To reappoint Crowe U.K. LLP as the Auditor of the Company.

5. To authorise the Directors to set the remuneration of the Auditor of the Company.

Special business

To consider and, if thought fit, to pass the following resolutions, of which resolution 6 will be proposed as an ordinary resolution, and resolution 7 will be proposed as a special resolution:

6. That the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:

   a) up to an aggregate nominal amount (within the meaning of Section 551(3) and (6) of the Act) of £194,778.49 (being 1/3 (approximately 33.33%) of the Company's issued share capital as at close of business on 5 June 2024), such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum; and

   b) comprising equity securities (as defined in Section 560(1) of the Act) up to an aggregate nominal amount of £389,556.99 (being 2/3 (approximately 66.67%) of the Company's issued share capital as at close of business on 5 June 2024), such amount to be reduced by any allotments or grants made under (a) above, in connection with or pursuant to an offer by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever, these authorities to expire on the earlier of: (i) the date falling 15 months after the date of the passing of this resolution; and (ii) the conclusion of the Annual General Meeting of the Company in 2025 (save that the Company may, before such expiry, make any offer or enter into any agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired).

Special business continued

7. That, subject to the passing of resolution 6, the Directors be and are hereby authorised pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company for cash pursuant to the authorisation conferred by that resolution, as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash:

   a) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authorisation granted under resolution 6(a), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and

   b) in the case of the authorisation granted under resolution 6(a), and otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £194,778.49 (being one-third (approximately 33.33%) of the Company's issued share capital as at close of business on 5 June 2024) and this power shall expire on the earlier of:

      (i) the date falling 15 months after the date of the passing of this resolution; and (ii) the conclusion of the Annual General Meeting of the Company to be held in 2025 (save that the Company may, at any time before the expiry of such power, make any offer or enter into any agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power conferred hereby had not expired).

Recommendation

Your Board believes that the resolutions to be proposed as ordinary and special business at the 2024 Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of shares in the Company.

Action to be taken

A form of proxy for use at the AGM is enclosed. You are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it is received by the Company's registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD not later than 12:30 on 12 July 2024.

The right to attend and vote at the 2024 Annual General Meeting is determined by reference to the Company's register of members. Only a member entered in the register of members as at close of business on 12 July 2024 (or, if the 2024 Annual General Meeting is adjourned, in the register of members as at the close of business on the date which is two business days before the time of the adjourned 2024 Annual General Meeting) is entitled to attend and vote at the 2024 Annual General Meeting.

By order of the Board

Timothy Bretherton
Company Secretary
5 June 2024

Registered office
4 Kingdom Street
Paddington
London
W2 6BD

Explanatory notes to the resolutions

The notes on the following pages explain the resolutions to be proposed at the 2024 Annual General Meeting of e-therapeutics plc (the "Company") to be held at the Company's registered office at 4 Kingdom Street, Paddington, London W2 6BD at 12:30 on 16 July 2024.

Resolutions 1 to 6 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of each resolution. Resolution 7 is proposed as a special resolution. This means that for that resolution to be passed, at least three-quarters of the votes cast must be in favour of each resolution.

Resolution 1 – Adoption of reports and accounts

For each financial year, the Directors are required to present the Directors' Report, the audited accounts and the Auditor's Report to shareholders at a general meeting. The financial statements and reports laid before the 2024 Annual General Meeting are for the financial year ended 31 January 2024, and the Company proposes a resolution on its financial statements and reports.

Resolution 2 and 3 – Election of Directors

In accordance with the Company's articles of association, each Director must be subject to re-election at least every three years. Accordingly, Trevor Jones, who has been a Director since 28 October 2015, and was last re-elected by shareholders in June 2021, will again stand for re-election by shareholders. Additionally, David Prior, who was appointed by the Company since the last General Meeting will stand for election as Non-Executive Chairman by shareholders. Their biographies appear on page 30 of the Annual Report and Accounts for the year ended 31 January 2024.

The Board is satisfied that Trevor Jones and David Prior will contribute effectively and demonstrate commitment to their roles as Non-Executive Director and Non-Executive Chairman respectively. Accordingly, the Board unanimously recommends the election of Trevor Jones and David Prior.

Resolutions 4 and 5 – Reappointment of Auditor and Auditor's remuneration

Resolutions 4 and 5 propose the reappointment of Crowe U.K. LLP as the Company's Auditor for the year ending 31 January 2025 and the authorisation of the Directors to agree the Auditor's remuneration. The Directors will delegate this authority to the Audit Committee.

Resolution 6 – Authority to allot shares

Your Directors may only allot shares or grant rights over shares if authorised to do so by shareholders. This resolution, if passed, will give the Directors flexibility to act in the best interests of shareholders, when the opportunity arises, by issuing new shares. Accordingly, resolution 6 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares: (a) up to an aggregate nominal amount of £194,778.49; and (b) in connection with a rights issue, up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £389,556.99.

These amounts represent approximately 33.33% and 66.67% respectively of the total issued ordinary share capital of the Company as at close of business on 5 June 2024, being the last practicable day prior to the publication of this notice. If given, these authorities will expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the Annual General Meeting of the Company in 2025.

Your Directors have no present intention of issuing shares pursuant to this authority. As at the date of this notice the Company holds no treasury shares.

Resolution 7 – Disapplication of pre-emption rights

Your Directors also require additional authority from shareholders to allot equity securities for cash and otherwise than to existing shareholders pro rata to their holdings.

Resolution 7 will be proposed as a special resolution to grant such an authority. Apart from offers or invitations in proportion to the respective number of shares held, the authority will be limited to the allotment of equity securities for cash up to an aggregate nominal value of £194,759.02 (being approximately 33.33% of the Company's issued ordinary share capital as at close of business on 5 June 2024, being the last practicable day prior to the publication of this notice). If given, this authority will expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the Annual General Meeting of the Company in 2025.

Procedural and explanatory notes

The following notes explain your general rights as a shareholder of the Company and your right to vote by proxy at this meeting.

Entitlement to vote

1. The right to attend and vote at the 2024 Annual General Meeting is determined by reference to the Company's register of members. Only a member entered in the register of members as at close of business on 12 July 2024 (or, if the 2024 Annual General Meeting is adjourned, in the register of members as at the close of business on the date which is two business days before the time of the adjourned 2024 Annual General Meeting) is entitled to attend and vote at the 2024 Annual General Meeting and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person at the 2024 Annual General Meeting.

2. A member entitled to attend, speak and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend, speak and vote at a meeting of the Company. On a poll vote, all of a member's voting rights may be exercised by one or more duly appointed proxies.

3. A form of appointment of proxy is enclosed. To appoint the Chair as proxy, this form must be completed, signed and sent or delivered to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney of the Company. If you return more than one proxy appointment in respect of a share, that received last by the registrar before the latest time for the receipt of proxies will take precedence.

4. The form of proxy includes a vote withheld option. Please note that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against any particular resolution.

5. The appointment of a proxy and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated should be deposited with Neville Registrars Limited at the address shown on the proxy form not later than 12:30 on 12 July 2024 or 48 hours before the time for holding any adjourned meeting or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or lodged.

6. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7. CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent, Neville Registrars Limited, whose CREST participant ID is 7RA11, by 12:30 on 12 July 2024. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

8. Save through CREST, we do not have a facility to receive proxy forms electronically. Therefore, you may not use any electronic address referred to in the proxy form or any related document to submit your proxy form.

Voting results

9. The results of the voting at the 2024 Annual General Meeting will be published on our website, www.etherapeutics. co.uk, as soon as reasonably practicable.

Inspection of documents

10. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day and they may also be inspected at the Company's London office at 4 Kingdom Street, Paddington, London W2 6BD from 12:15 on the day of the meeting until the conclusion of the meeting:

    9.1 copies of Directors' service contracts with the Company; and

    9.2 copies of the Non-Executive Directors' letters of appointment.

Corporate representatives

11. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the 2024 Annual General Meeting. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, though there are restrictions on more than one such representative exercising powers in relation to the same shares.

Nominated persons

12. Any person to whom this notice is sent as a person nominated under Section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 2024 Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

    The statement of the rights of members in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by members of the Company.

13. As at close of business on 5 June 2024, being the last practicable day prior to the publication of this notice, the Company's issued share capital comprised 584,335,487 ordinary shares of 0.1p. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice is 584,335,487.

Members' requests under Section 527 of the Act

14. Under Section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish a statement on a website setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the 2024 Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the last Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the 2024 Annual General Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

Website

15. A copy of this notice, and other information required by Section 311A of the Act, can be found at www.etherapeutics.co.uk.

Except as provided above, members who have general queries about the meeting should contact the Company Secretary in writing at the Company's registered office. No other methods of communication will be accepted.

Advisors

Auditor to the Company
Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Registrar
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Neville House
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Halesowen
B62 8HD

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Company Secretary
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