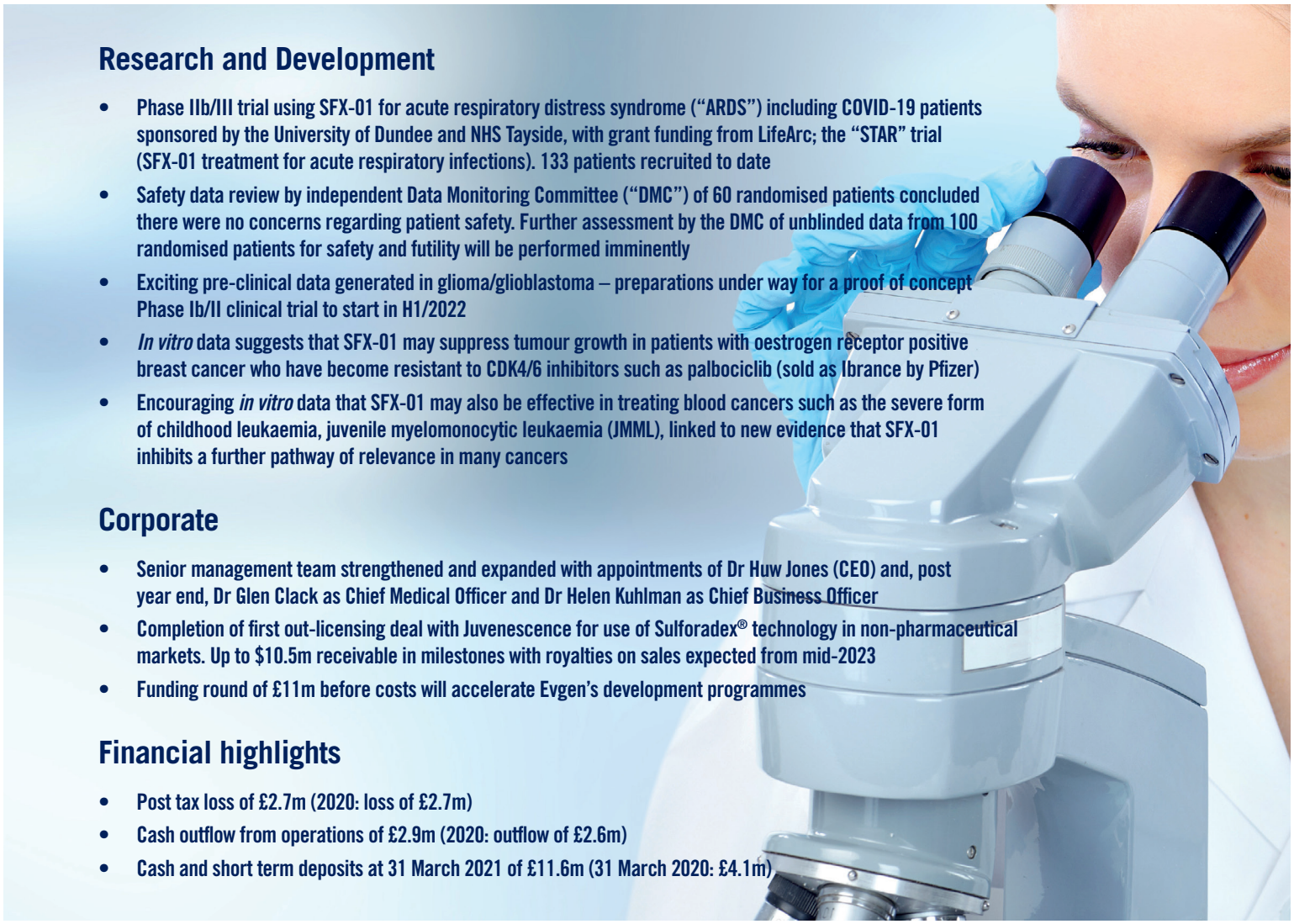
Evgen Pharma plc
Annual Report & Accounts **2021**

REALISING THE CLINICAL POTENTIAL OF SULFORAPHANE

Evgen is a clinical stage drug development company focussed on the development of sulforaphane-based compounds, a new class of pharmaceuticals which are synthesised in a proprietary, well-tolerated, stable formulation. Our pipeline exploits sulforaphane's activity in three separate biochemical pathways; inhibition of STAT3 and SHP2, of importance in cancer, and up-regulation of Nrf2, a pathway of significance in a number of diseases.

HIGHLIGHTS OF THE YEAR



Research and Development

- Phase IIb/III trial using SFX-01 for acute respiratory distress syndrome ("ARDS") including COVID-19 patients sponsored by the University of Dundee and NHS Tayside, with grant funding from LifeArc; the "STAR" trial (SFX-01 treatment for acute respiratory infections). 133 patients recruited to date
- Safety data review by independent Data Monitoring Committee ("DMC") of 60 randomised patients concluded there were no concerns regarding patient safety. Further assessment by the DMC of unblinded data from 100 randomised patients for safety and futility will be performed imminently
- Exciting pre-clinical data generated in glioma/glioblastoma – preparations under way for a proof of concept Phase Ib/II clinical trial to start in H1/2022
- *In vitro* data suggests that SFX-01 may suppress tumour growth in patients with oestrogen receptor positive breast cancer who have become resistant to CDK4/6 inhibitors such as palbociclib (sold as Ibrance by Pfizer)
- Encouraging *in vitro* data that SFX-01 may also be effective in treating blood cancers such as the severe form of childhood leukaemia, juvenile myelomonocytic leukaemia (JMML), linked to new evidence that SFX-01 inhibits a further pathway of relevance in many cancers

Corporate

- Senior management team strengthened and expanded with appointments of Dr Huw Jones (CEO) and, post year end, Dr Glen Clack as Chief Medical Officer and Dr Helen Kuhlman as Chief Business Officer
- Completion of first out-licensing deal with Juvenescence for use of Sulforadex® technology in non-pharmaceutical markets. Up to $10.5m receivable in milestones with royalties on sales expected from mid-2023
- Funding round of £11m before costs will accelerate Evgen's development programmes

Financial highlights

- Post tax loss of £2.7m (2020: loss of £2.7m)
- Cash outflow from operations of £2.9m (2020: outflow of £2.6m)
- Cash and short term deposits at 31 March 2021 of £11.6m (31 March 2020: £4.1m)

CHAIRMAN'S STATEMENT

Over the last 12 months Evgen has substantially strengthened its senior team, made considerable progress across all areas of its business, raised significant funding to accelerate the development of its therapeutic programmes and concluded its first commercial partnership.

The last year has seen considerable progress in Evgen's development programmes, our first out-licensing deal, and a substantial fundraising that will accelerate these programmes. In addition, we initiated an externally funded Phase IIb/III clinical trial of SFX-01 in Acute Respiratory Distress Syndrome ('ARDS') in partnership with The University of Dundee and NHS Tayside, the sponsor of the trial, which recruited its first patient in November 2020.

With Dr Huw Jones, who joined us in October 2020 as CEO, and the more recent appointments of Dr Helen Kuhlman as Chief Business Officer and Dr Glen Clack as Chief Medical Officer, we have a broader and stronger senior management to execute our ambitions.

Following its unblinded safety data review from the first 60 randomised patients in the STAR trial, the independent DMC concluded that there were no concerns regarding patient safety or data quality that would prevent continuation of the trial. We expect to receive its assessment of futility and safety from the first 100 patients shortly, which will consider whether there is sufficient evidence of clinical improvement in the treatment arm compared with placebo to justify continuation of the trial.

Since we successfully completed our Phase IIa trial of SFX-01 in metastatic breast cancer ('mBC') the treatment pathway has changed substantially with the launch and rapid uptake of CDK4/6 inhibitors. These are becoming standard of care as first or second line treatments and hence we have re-assessed how to position SFX-01 as a STAT3 inhibitor in this landscape. In partnership with Manchester University and the Institut Curie in Paris we are assessing whether SFX-01 has anti-cancer activity in CDK4/6 resistant preclinical models. Early data generated so far does show such activity. Accordingly, we are refreshing the design of our next mBC clinical trial and starting a dialogue with potential partners and/or funders of this trial.

Whilst we hypothesise that STAT3 inhibition is the predominant mechanism of action for SFX-01 in mBC, recent preclinical data has demonstrated that it also inhibits Src homology region 2 domain-containing phosphatase-2 (SHP2), a mediator of cell proliferation in blood cancers and a number of solid tumours. Early preclinical *in vitro* data from the University of Oxford in which cell lines from juvenile myelomonocytic leukaemia (JMML) patients were exposed to SFX-01 showed reduced cell proliferation. JMML is a rare but very serious blood cancer in children. We have commissioned further work to assess whether and in what blood cancers a clinical programme might be initiated.

Also during the year we announced compelling preclinical data showing that SFX-01 significantly extended survival times in animal models of glioma, especially when combined with radiotherapy. This work was conducted at the University of Aquila, Italy and is being enhanced in different, highly disease relevant cells at Auckland University in New Zealand and with a contract research organisation. To date the results have been consistent with those obtained at Aquila, strengthening our conviction that we should proceed to a glioma clinical programme, which we aim to commence in Q1 2022.

In September 2020 we announced our first out licensing deal with the JuvLife division of Juvenescence Ltd. JuvLife was established to provide high quality, science-based consumer products that will extend a healthy lifespan. The license covers non-pharmaceutical applications of our Sulforadex technology with limitations on dosing so that there is no conflict or cross over with our core clinical candidates. We have established a good and supportive working relationship with the JuvLife team, who are conducting a thorough and professional product development and marketing programme. We anticipate market launch by the middle of 2023. The deal will generate attractive cashflows from milestones and royalties and is an opportunity to generate income from an element of our technology which we would otherwise be unlikely to exploit commercially.

We were very pleased with the heavily oversubscribed fundraising completed in March 2021 which raised £11m before expenses. This was characterised by some high-quality institutional names joining the register for the first time, and strong support from key existing institutions and retail investors through the Open Offer. The funding allows us to accelerate our various preclinical and clinical programmes and to conclude the scale up and formulation work on SFX-01 so we are able to supply larger, late-stage trials and early in-market demand.

The biological activity of sulforaphane is undoubted and our Sulforadex technology provides us with an exceptional opportunity to build a valuable business. Our pipeline has been broadened with data showing SFX-01 could be efficacious in several cancers as well as respiratory diseases such as ARDS. With greater resources and a strengthened management team we look forward enthusiastically to further achievements in the current year.

Barry Clare
Chairman

14 June 2021

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 March 2021. The Chief Executive's Report and Operational Overview form part of the Strategic Report.

Chief Executive's Report

"I joined Evgen some 9 months ago attracted by the undoubted biological activity of SFX-01 and the benign side effect profile as demonstrated in a significant number of patients. In addition, I was excited by some compelling preclinical data in glioma/glioblastoma and the opportunity in respiratory/fibrotic diseases. I'm delighted to say that these reasons have been validated by all I have seen since then."

INTRODUCTION

Evgen is a clinical stage drug development company focussed on the development of sulforaphane-based compounds, a new class of pharmaceuticals which are synthesised in a proprietary, well-tolerated, stable formulation. We have a comprehensive intellectual property estate covering this technology. Our pipeline exploits sulforaphane's activity in three separate biochemical pathways; inhibition of pSTAT3 and SHP2, both of importance in cancer, and up-regulation of Nrf2, a therapeutic target associated with a broad range of diseases which are characterised by excessive oxidative stress and inflammation. Sulforaphane has attracted huge scientific interest and has been shown to have anti-cancer and anti-inflammatory qualities in a wide range of preclinical and clinical studies.

Our lead product, SFX-01, has demonstrated efficacy in a Phase II trial for advanced metastatic breast cancer. It has been used to treat over 200 patients in clinical trials and is well-tolerated with predominantly mild side-effects.

Evgen has exclusive rights to the only technology (Sulforadex®) proven to synthesise this very unstable molecule in a stabilised composition that will satisfy regulatory and medicinal needs for a pharmaceutical and that can be used as a therapeutic.

OUR STRATEGY IS NOW SHARPER AND MORE FOCUSED

Following my appointment as CEO our strategy has been refined as follows:

- To ensure our selected development programmes meet stringent scientific and commercial criteria
- Our core R&D efforts to be focused on our oncology and ARDS pipeline
- SFX-01 to continue to be provided to academic groups for preclinical evaluation in selected disease models
- Consideration will be given to supporting clinical evaluation of SFX-01 in non-core indications, where there is compelling preclinical data and an attractive commercial opportunity
- To leverage the Sulforadex® platform by supporting Juvenescence in bringing products to market outside the pharmaceutical sector
- The business model is to establish proof of concept and then conclude partnerships.

Evgen will have the right to access the pre-clinical and clinical data generated by academic partners on fair commercial terms to advance its clinical and commercial development. Since the principal funding for these trials will be obtained by the investigator/ institution they have limited impact on our cash reserves.

We believe this strategy offers the best route to enhance shareholder value and the opportunity for all stakeholders to benefit from the undoubted potential of SFX-01 and our broader technology platform.

OPERATIONAL OVERVIEW

CLINICAL PROGRAMMES

WE HAVE BROADENED OUR PRECLINCAL AND CLINICAL PIPELINE

To date, SFX-01 has been administered to some 200 patients and demonstrated a good safety and tolerability profile. Evgen has two clinical development programmes ongoing; one in metastatic breast cancer (Phase II), and one in Acute Respiratory Distress Syndrome (Phase IIb/III).

In addition, it is expected that a Phase Ib/II trial in glioma/glioblastoma will be started in 2022.

The Company has started the preparatory work to commence discussions with the US FDA around the end of 2021 and to submit an IND shortly thereafter to be conducted in the United States.

ARDS IN PATIENTS WITH RESPIRATORY DISTRESS DUE TO COVID-19 AND OTHER INFECTIVE AGENTS

In June 2020, we won a highly competitive grant process to secure funding from LifeArc to evaluate SFX-01 in patients with suspected COVID-19, in conjunction with the University of Dundee ("Dundee"). The trial, sponsored by Dundee and NHS Tayside, will investigate whether SFX-01 can reduce the severity, or prevent the onset of, acute respiratory distress syndrome ("ARDS") associated with COVID-19 and pneumonia resulting from other infectious agents, thus reducing the need for invasive patient ventilation and potentially improving recovery times.

Nrf2 (nuclear factor erythroid 2 p45-related factor 2) is a transcription factor that regulates many target genes including those used in encoding proteins involved in the cellular antioxidant response, damage repair, protein homeostasis and maintenance of metabolic balance. It has been discovered that NRF2 is suppressed in lung biopsy samples from patients infected with the COVID-19 virus. SFX-01 inactivates a protein associated with regulating NRF2, known as KEAP1 (Kelch-like ECH-associated protein 1) thus allowing accumulation of NRF2 and an increase in expression of target genes potentially improving the cellular response to the COVID-19 virus and reducing the risk of the "cytokine storm". SFX-01 upregulates the Nrf2 pathway which is part of the natural human defence against inflammatory and oxidative stress, such as the inflammation that occurs during a severe viral infection. Preclinical studies have shown that up-regulating the Nrf2 pathway reduces the severity of ARDS, the progressive lung damage observed in COVID-19 and other pneumonia patients which can result in the need for invasive ventilation in an intensive care unit. Recent pre-clinical data from Johns Hopkins University in the USA suggests that sulforaphane has direct anti-viral activity against the virus that causes COVID-19, adding a second potential mechanism to support the evaluation of SFX-01 in ARDS. This hypothesis is being tested in the STAR COVID-19 study.

The Phase IIb/III study will recruit up to 300 patients with confirmed or suspected COVID-19. Patients will be drawn from both hospital and community settings and may present with COVID-19 or other respiratory diseases such as viral pneumonia. Half the group will receive SFX-01 in addition to standard hospital care while the other half will receive a placebo and standard hospital care.

Evgen will supply clinical centres with SFX-01 and a placebo as its contribution to the trial. The financial contribution to the trial is minimal as the costs of providing SFX-01 for the trial are not material.

As at 12 June 2021, 133 patients had been recruited and depending on availability of COVID-19 and other patients with ARDS, data could be available in the first quarter of 2022.

In March this year unblinded safety data from the first 60 randomised patients was reviewed by an independent Data Monitoring Committee ("DMC"). It was concluded that there were no concerns regarding patient safety or data quality that would prevent continuation of the trial.

A further assessment, by the DMC, of unblinded data from the first 100 randomised patients, for safety and futility, will be performed imminently. The trial sponsors (University of Dundee/NHS Tayside) are cleaning the trial data and finalising the statistical basis for performing the analysis, and the output will be provided to the DMC for review shortly. The DMC assessment of futility will consider whether there is sufficient evidence of clinical improvement in the treatment arm compared with placebo to justify continuation of the trial.

We expect to be able to announce the DMC conclusions later this month in line with previous guidance as to timing thereof.

METASTATIC BREAST CANCER ("MBC")

Since 2012, Evgen has worked with University of Manchester scientists at the Cancer Research UK Manchester Institute ("Manchester") and together we have generated promising data showing SFX-01 reduces the number of cancer stem cells in patient-derived breast cancer tissue in xenograft models. The xenograft studies used a combination of hormone therapy and SFX-01, with the role of SFX-01 being to target the cancer stem cell population. Crucially, the data also showed that SFX-01 is unique, compared with existing marketed therapies, in deactivating phosphorylated STAT3, a key agent in driving cancer metastases and resistance to current standards of care. This data was recently published in the prestigious journal, Oncogene.

In the open-label Phase II trial of SFX-01 in 46 mBC patients we demonstrated:

- Conclusive evidence of anti-cancer activity via objective responses (tumour shrinkage)
- 24% of patients showed a durable clinical benefit for at least six months, despite the late stage of disease and patients' established resistance to hormone therapy. Of these, five patients were still receiving SFX-01 at 12 months and one patient remained on treatment for over 18 months
- A mild and favourable side effect profile for an anti-cancer drug

Since we commenced the trial CDK4/6 inhibitors have grown in acceptance and are becoming standard of care in first line mBC treatment. These drugs provide an extended period of progression free survival, but invariably patients become resistant to them. Accordingly, we are conducting further preclinical work with Manchester to assess the impact of SFX-01 in CDK4/6 resistance models. Early *in vitro* data suggests that SFX-01 may suppress tumour growth in patients who have become resistant to CDK4/6 inhibitors. Should this data be reinforced with further *in vitro* and *in vivo* work we will pursue a Phase II placebo-controlled study in second line mBC treatment of patients who have failed on CDK4/6 inhibitors. Such a trial could commence in 2022.

PRE-CLINICAL PROGRAMMES

We continue to support academic research to broaden the potential range of applications for SFX-01 and increase our mechanistic understanding in these different disease areas. This has led to two additional cancer programmes becoming part of our core strategy.

COMPELLING DATA IN GLIOMA/GLIOBLASTOMA; CLINICAL TRIAL DESIGN BEING WORKED-UP.

Glioma is the most common form of brain tumour affecting around 5 per 100,000 people. The more severe, grade IV classification, glioblastoma, is a very serious form of malignant brain tumour representing 45% of all cases and has a poor prognosis with median survival of around 14 months. The five-year survival of the severe grades is 5%. The therapeutic options for glioma are limited to surgery, radiotherapy and the one drug widely available, temozolomide. There is a clear unmet need for more treatments for use in conjunction with the current standard of care.

A collaboration with Dr Claudio Festuccia at the University d'Aquila, Italy has generated highly positive data for SFX-01 in pre-clinical models of glioma and glioblastoma. Using standard *in vitro* and *in vivo* pre-clinical models as well as orthotopic models (where glioma cells are implanted in brain tissue representing a more disease-relevant model) both tumour shrinkage and significantly extended survival times were demonstrated. Furthermore, SFX-01 was also found to potentiate (i.e. substantially increase) the therapeutic effect of radiotherapy in these models. Dr Festuccia's work has recently been submitted for publication.

Further preclinical work has commenced in multiple laboratories to complete the data set required for a clinical trial application and/or partnering discussions. To date such work has built on Dr Festuccia's results from *in vitro* experiments and has confirmed the *in vitro* efficacy of SFX-01 in multiple highly disease relevant patient-derived cells. The preclinical work should be completed in 2021 and a phase Ib/II clinical study could commence in Q2 of 2022.

EARLY DATA IN JMML POINTS TO POTENTIAL USE OF SFX-01 IN BLOOD CANCERS

Professor Philip Eaton at Queen Mary University of London has shown that SFX-01 inhibits activity of the non-receptor phosphotyrosine phosphatase, SHP2 (coded by the PTPN11 gene). SHP2 is thought to be a significant factor in many cancers. Professor Eaton's work has recently been submitted for publication.

Following on from this work an *in vitro* project was conducted by another world-renowned academic institution to study the effect of SFX-01 on cell lines from patients with Juvenile Myelomonocytic Leukaemia ('JMML'). SHP2 is a mediator of the cell proliferation seen in JMML patients. Whilst this is preliminary data from a small sample size we were encouraged to see a statistically significant effect in reducing cell proliferation and increasing apoptosis (cell death).

JMML is an invasive and rare childhood cancer with very high clinical lethality and limited treatment options, usually stem cell transplantation. It occurs with an estimated incidence of 1.2 cases per million annually. We are evaluating whether to pursue a development programme in this very rare disease and/or investigate whether SFX-01 should be evaluated in other cancers that are also mediated by SHP2.

OUTLICENSING

First commercial out-licensing deal signed, with Juvenescence In September 2020 we announced the licensing of our Sulforadex® sulforaphane stabilisation technology in a number of non-pharmaceutical applications to Juvenescence Ltd ("Juvenescence"). In particular, Juvenescence intends to market and sell a high-end nutritional health product containing a defined dose of sulforaphane extracted from natural sources. Under the terms of the license agreement the ("Agreement"), we will receive milestone and option payments of up to $10.5m together with royalties on future product sales which are anticipated from mid-2023.

This agreement monetises one element of Evgen's sulforaphane technology platform within a timescale considerably shorter than that typical of pharmaceutical development. Our focus will remain on progressing the therapeutic programmes, and the Agreement contains provisions which ensure a clear differentiation between potential nutritional health products and pharmaceutical products, including limitations on daily dose.

The natural source of sulforaphane to be used by Juvenescence contrasts with the synthetic sulforaphane which is used in SFX-01, the Company's lead therapeutic product. Juvenescence is making good progress and it is envisaged that product launch will occur in around two years' time.

NON-CLINICAL AND MANUFACTURING PROGRAMMES

Our long-term toxicology development work has now concluded and we are pleased to note that the final data demonstrates an acceptable toxicology profile for conducting clinical trials in chronic diseases where longer term dosing is required. These data are consistent with our observations of patients who received SFX-01 for extended periods in the mBC trial.

Scale-up of our formulation and manufacturing processes has progressed. In particular, a commercial scale process for producing a key intermediate in drug substance manufacture has been developed by a well-regarded contract manufacturing organisation. Following the February fundraise we are now working on the scale up of API and finished product formulation with a major contract manufacturer, with the aim of having a scaled-up product with further enhanced IP protection available for clinical trials in early 2022.

INTELLECTUAL PROPERTY UPDATE

Our IP portfolio continues to be strengthened with a number of key patents being granted. The current status of the intellectual property portfolio is as follows:

- From the "parent" patent family entitled "Stabilised Sulforaphane" patents are granted in Australia, Canada, EU, US, Japan and Hong Kong.
- The principal manufacturing patent application, entitled "Methods of Synthesising Sulforaphane" is granted in Australia, China, Europe, Japan, US and Canada and further applications are pending in Brazil, Canada, US and India.
- A second manufacturing patent which is directed to methods of isolating and purifying sulforaphane or analogues from natural sources has been granted in Europe, US, Japan and China.
- The patent application providing protection around novel analogues based on sulforaphane, and entitled "Sulforaphane-Derived Compounds" is granted in Australia, China, Europe, Japan and the US and pending in Canada.

Furthermore, a new composition of matter filing has been made which, if successful, would add a further 20 years of patent life to the key patent family.

PEOPLE

KEY HIRES IN SENIOR TEAM

After 10 years at Evgen, our founding CEO, Dr Steve Franklin, resigned from the Company at the end of April last year. Dr Huw Jones joined us in October 2020 as CEO with over 30 years' experience of leadership roles in public and private R&D-based companies.

Following our February fundraise we have been able to strengthen our senior management team in two key roles: Dr Glen Clack has joined as Chief Medical Officer and Dr Helen Kuhnman as Chief Business Officer. Both are highly experienced in their fields and we now have the senior level expertise we need to accelerate.

KEY PERFORMANCE INDICATORS

Key Performance Indicators include a range of financial and non-financial measures (such as clinical trial progress). Details about the progress of our development programs (non-financial measures) are included elsewhere in this Strategic Report, and below are the other indicators (financial measures) considered pertinent to the business.

	2021 (£m)
Year-end cash and short-term investments and cash on deposit held: (2020: £4.1m)	**11.6**

The increase in year-end cash reflects the fundraising in February 2021 which raised £11m before expenses (£0.7m) together with receipt of the R&D tax credit (£0.47m), offset in part by working capital, pre-clinical and clinical expenditures.

	2021 (£m)
Net cash inflow (before monies placed on fixed term deposits) (2020 inflow: £2.1m)	**7.5**

The net cash inflow reflects the fundraising completed during the year less working capital, pre-clinical and clinical expenditures.

	2021 (£m)
Operating loss: (2020: £3.2m)	**3.2**

The operating loss reflects pre-clinical and clinical activity in the year and related product manufacture.

FINANCIAL REVIEW

The financial performance for the year ended 31 March 2021 was in line with expectations.

Losses

The total loss for the year was £2.7m (31 March 2020: £2.7m) including a credit for share-based compensation of £0.1m (2020 debit: £0.2m). Operating expenses excluding share-based compensation were higher at £3.5m (2020: £3.0m) reflecting some reduction in payroll costs offset by increased professional fees and business development costs.

STRATEGIC REPORT
continued

Share based compensation
Accounting standards require a charge to be made against the grant of share options and recognised in the Consolidated Statement of Comprehensive Income. Where such options lapse ahead of their vesting date the relevant charges are written back. As a consequence of certain option lapses there was an overall credit for the year in relation to share-based payments of £0.1m (2020 debit: £0.2m), which has no impact on cash flows.

Headcount
Average headcount of the Group for the year was 8 (2020: 8).

Taxation
The Group has elected to claim research and development tax credits under the small or medium enterprise research and development scheme of £0.54m (2020: £0.45m).

Share capital
A total of 4,751,178 ordinary shares of 0.25p each were issued pursuant to exercises of share options granted under individual share option grants. These options had exercise prices ranging from 0.9p to 5.0p per share.

A share placing and open offer was completed in March 2021 which raised £11m before expenses, through the issue of 137,490,676 shares at 8p per share. This provides us with a strengthened balance sheet and the resources to; pursue our preclinical oncology projects including a phase 2a efficacy trial in glioma; complete our production and formulation work up to and including manufacture of final product batches which are suitable for Phase 3 and in-market use; prepare and apply for an IND in the US to enable clinical trials in this critical territory; and strengthen our senior management team with key hires.

Cash flows and financial position
The cash position (including short term deposits) at 31 March 2021 increased to £11.6m (31 March 2020: £4.1m) as a consequence of the fundraise. The amount received net of expenses was £10.3m and a further £0.47m was received from R&D tax credits. These receipts were offset by ongoing work in preclinical projects, toxicology, product development and manufacture and general running costs.

S172 COMPANIES ACT STATEMENT
The Directors acknowledge their duty under section 172 of the Companies Act 2006 and consider that they have, both individually and collectively, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of all shareholders. In doing so, the Directors have regard (amongst other matters) to:

- 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 relations with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The Company's reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

In particular given the size of Evgen:

Business reputation
The Group operates in a highly regulated sector and the Board is committed to maintaining the highest standards of conduct and corporate governance. Further details are set out in the Corporate Governance Report on page 11.

Employee engagement
As a very small company in terms of staff, Board members have multiple points of contact with staff; through Board meeting feedback, participation in weekly management meetings involving all staff, and ad hoc interactions in relation to specific matters.

These forums provide staff with an opportunity to give their views which can then be taken into account in making decisions likely to affect their interests.

Specific matters of concern to them as employees are dealt with in management meetings and by email. Corporate developments and Company performance are discussed weekly in management meetings.

All staff are eligible for the Group's share option scheme and this encourages involvement in the Company's performance.

Stakeholder Engagement
The Group has a small number of major suppliers and consultants that support its delivery of strategy and corporate goals. The selection of, relationships with, and execution of, contracted work by these parties is considered at least weekly by the Executive Directors and at each Board meeting by all Directors. Where appropriate, the Chairman and/or non-executive directors participate in engagement with these parties, and where appropriate, Board members are involved in meetings with such parties.

PRINCIPAL RISKS AND UNCERTAINTIES
Evgen is a biopharmaceutical company and, in common with other companies operating in the sector, is subject to a number of risks. The principal risks and uncertainties identified by the Group for the year ending 31 March 2021 are set out below.

COVID-19 pandemic
The Board is monitoring the impact of COVID-19 on the Group and its staff closely. To date, the impact on our staff and programmes has been limited to some delays in preclinical programmes because our scientific partners have had access to their laboratories restricted. Continuation of the pandemic for further sustained periods may affect:

- Our ability to conduct and conclude partnering discussions
- Our ability to initiate and execute new clinical trials, whether sponsored by Evgen or Clinical Investigators
- Completion of the current preclinical, clinical and production programmes to agreed timelines.

Development
The Group is at a relatively early stage of development and may not be successful in its efforts to develop approved or marketable products. Technical risk is present at each stage of the development process which is a highly regulated environment which presents technical and operational risk. There can be no guarantee that the Group will be able to, or that it will be commercially advantageous for the Group to, develop its Intellectual Property through entering into licensing deals with pharmaceutical companies.

Commercial
The biotechnology and pharmaceutical industries are very competitive. The Group's competitors include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources. The Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are more effective or less costly than those the Group is developing, or may develop, and this may have a material adverse impact on the Group.

Regulatory
The Group's operations are subject to laws, regulatory approvals, and certain government directives, recommendations and guidelines. There can be no assurance that future legislation will not impose further government regulation which may adversely affect the business or financial condition of the Group.

Intellectual property (IP)
The Group's success depends in part on its ability to obtain and maintain patent protection for its technology and potential products in the United States, Europe and other countries. If the Group is unable to obtain and maintain patent protection for its technology and potential products, or if the scope of patent protection is not sufficiently broad, competitors could develop and commercialise similar technology and products, which could materially affect the Group's ability to successfully commercialise its technology and potential products. The Group is exposed to additional IP risks, including infringement of IP rights, involvement in lawsuits and the inability to protect the confidentiality of its trade secrets which could have an adverse effect on the success of the Group.

Financial
The Group has a limited operating history, has incurred significant losses since its inception and does not have any approved or revenue generating products. The Group expects to incur losses for the foreseeable future, and there is no certainty that the business will generate a profit. The Group may not be able to raise additional funds that will be required to support its product development programs or commercialisation efforts, and any additional funds that are raise may cause dilution to existing shareholders.

Operational
The Group's future development and prospects depend to a material extent on the experience, performance and continued service of its senior management team including the Directors. The Directors believe the senior management team is appropriately structured for the Group's size and stage of development and is not overly dependent on any one individual. The Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Retention of these services or the identification of suitable replacements cannot be guaranteed. The loss of the service of any of the Directors or senior management and the cost of recruiting replacements may have a material adverse effect on the Group and its commercial and financial performance.

OUTLOOK
As expected, the March review on 60 patients by the DMC found no reason to discontinue the trial on safety grounds. We look forward to its assessment of futility which we expect later this month.

We are excited at the prospect of initiating an efficacy trial in glioma, and potentially JMML given the preclinical data generated in both indications. Initial data showing SFX-01 may be of benefit to mBC patients who have developed resistance to CDK4/6 inhibitors is also very encouraging. With a strengthened senior team and our partner Juvenescence progressing well towards market launch within two years we are building an exciting and valuable business.

This report was approved by the Board of Directors on 14 June 2021 and signed on behalf of the Board of Directors by:

Dr Huw Jones
Chief Executive Officer

14 June 2021

THE BOARD OF DIRECTORS

BARRY CLARE Chairman
Barry brings considerable healthcare, strategy, NED and Chairman experience to the Group. He is an experienced healthcare company Director who joined Evgen Limited as Chairman in 2009. Having graduated in Natural Sciences at Cambridge University, Barry joined Procter & Gamble where he spent 10 years working in a variety of product development roles in the UK and in Europe. In 1984, he joined Diversey Corporation, the speciality chemicals division of Molson Companies, as corporate Vice President and VP Marketing in Canada where he led its transformation from a commodity chemical supplier to a leading differentiated business solutions provider to the food and hospitality industries. In 1991, Barry joined Boots Company plc as Managing Director of Boots Healthcare International, the company's over-the-counter ("OTC") consumer healthcare division. Between 1991 and 2001, the business became the fastest growing OTC company in Europe and included the global expansion of brands such as Nurofen, Strepsils and Clearasil. In 1999, he was appointed to the board of Boots Company plc and became Managing Director of Boots Retail International. He was appointed group marketing director of Boots Company plc in 2002, a position he held until 2003 when he left to set up Clarat Partners LLP, a specialist firm to participate in transactions in the healthcare, medical devices, beauty, personal care and well-being sectors. Barry, who served as a Non-Executive Director of Standard Chartered plc between 2001 and 2003, is on the board of several private life science companies and is Deputy Chairman, Manchester University NHS Foundation Trust. Barry has been a Director and Chairman of Evgen Limited since November 2009 and Evgen Pharma plc since October 2014.

DR HUW JONES Chief Executive Officer
Huw has over 30 years' experience of leadership roles in public and private R&D-based companies within the biotechnology and pharmaceutical sector, with a particular focus on pre-clinical and clinical drug development, dilutive and non-dilutive financing and business development. At the start of his career, Huw joined Smith Kline & French Labs, now part of GSK, after a period of post-doctoral research. He held roles of increasing responsibility at SK&F and SB for over a decade in new product development, business development and marketing. In 1997 he joined Elan Corporation and became VP and Managing Director for Elan Pharma UK and in 2001, SVP Northern Europe. Huw was appointed President, Europe for NASDAQ-quoted CV Therapeutics Inc in 2004 and has also held posts as non-executive Chairman of Ashbourne Pharmaceuticals and non-executive Director, then rescue CEO of Ardana plc. He is currently Chairman of Chronos Therapeutics Ltd, Non-Executive Director of IxaKa Ltd (formerly Rexgenero) and Strategic Advisor to Gen2 Neuroscience Ltd. Dr Jones holds a PhD in pharmacology from the University of Birmingham, UK.

RICHARD MOULSON Chief Financial Officer
Richard is a qualified chartered accountant with over 25 years' post qualification experience working as a chief financial officer for UK quoted and private equity and venture capital owned companies. Richard trained with Coopers & Lybrand and spent 10 years with Deutsche Morgan Grenfell in corporate finance working on fundraisings, IPOs and M&A transactions in the UK and internationally. He has considerable life science experience in companies including Intercytex Group Plc, ReNeuron Group plc and Cobra Therapeutics Ltd, and currently provides part-time CFO and finance consulting services to SMEs with a focus on life science businesses. Richard became a Director of Evgen Pharma plc in January 2017.

DR SUSAN FODEN Non-Executive Director and Senior Independent Director
Susan has an MA, D.Phil in biochemistry from the University of Oxford. After a period or research she joined Celltech Ltd in 1983 where she became head of academic liaison. In 1987, Susan was appointed Chief Executive of Cancer Research Campaign Technology Ltd ("CRCT") establishing the company and building significant royalty streams and equity in spin-out companies. From 1998 to 2000, she was also Chief Executive of Cancer Research Ventures Ltd, a subsidiary of CRCT, transferring cancer technologies outside the Cancer Research Campaign portfolio in the UK and overseas. In 2000, Susan joined the London based healthcare fund, Merlin Biosciences where she was an investor director until 2003. Susan was a non-executive director of BTG plc until completion of its sale to Boston Scientific in 2020, and of Vectura Group plc from 2007-2020. She is currently a member of the Board of QBio ASA in Queensland Australia and a member of the Investment Committee of CD3, a joint initiative between the University of Leuven and the European Investment Fund. Susan was appointed as a Non-Executive Director of Evgen Limited in 2011 and became a Director of Evgen Pharma plc in November 2014. Susan has considerable Remuneration Committee experience from other companies.

DR ALAN BARGE Non-Executive Director
Alan trained in medicine at Oxford and London, and specialised in haematology and oncology, completing research and clinical fellowships in Seattle in 1990. He specialized in the treatment of leukaemia and bone-marrow transplantation. He joined the American biotechnology company Amgen in 1990, as European Medical Director, and was responsible for the European, and subsequently Worldwide development of Neupogen® (filgrastim), in patients with cancer and leukaemia, as well as HIV and infectious disease. In 1999 he joined AstraZeneca, and was asked to establish a team, responsible for early phase oncology drug development. This team took many new drugs into man for the first time. In 2003 he was made responsible for the re-focusing of the development, and was subsequently appointed VP of Clinical and Head of Oncology and Infection, responsible for building and managing a large development group, and the execution of AstraZeneca's oncology portfolio globally.

Alan left AstraZeneca in 2011 and co-founded ASLAN Pharmaceuticals, a Singapore-based biopharmaceutical company which focuses on Asia-prevalent cancers. In 2016 he helped found Carrick Therapeutics in the UK, which also focuses on early-stage oncology assets.

Alan is a Venture Partner at Delin Ventures in London.

SUSAN CLEMENT-DAVIES Non-Executive Director
Susan is an experienced financier with over 25 years of capital markets and investment banking experience, including 10 years at Citigroup as Managing Director of Equity Capital Markets and most recently as Managing Director of Torreya, an investment bank solely focused on life sciences. Susan became a Director of Evgen Pharma plc in November 2018. She is currently Non-Executive Director and Chairman of the Audit Committee of Scancell Holdings PLC, Advisor to Theolytics and Member of the CW+ NHS Hospital Innovation Advisory Board. Susan has a BSc in Economics from University College London and a MSc in Economics from London School of Economics.

DIRECTORS' REPORT
for the year ended 31 March 2021

Financial Statements
The Directors of Evgen Pharma plc (registered in England and Wales: 09246681) present their report together with the audited consolidated financial statements and the Company financial statements for the year ended 31 March 2021.

Directors
The Directors of the Company who served during the year and up to the date of this report, unless otherwise indicated, are as follows:

	Capacity	
Huw Jones	Chief Executive Officer	Appointed 1 October 2020
Stephen Franklin	Chief Executive Officer	Resigned 30 April 2020
Barry Clare	Chairman	Appointed 2 October 2014
Richard Moulson	Chief Financial Officer	Appointed 17 January 2017
Susan Foden	Non-Executive and Senior Independent Director	Appointed 21 November 2014
Alan Barge	Non-Executive Director	Appointed 21 October 2015
Susan Clement-Davies	Non-Executive Director	Appointed 1 November 2018

Biographical details of Evgen's Directors are shown on page 8.

The Group maintained Directors' and Officers' liability insurance cover throughout the year and the prior year.

Principal activities of the Group
Details of current and future trading as well as the principal risks and uncertainties are included in the Strategic Report on pages 2-5.

Business Review and Key Performance Indicators
The review of the business, future trading and key performance indicators are covered in the Strategic Report on pages 2-5.

Financial results and dividends
The Group's results for the year ended 31 March 2021 are presented on page 23. The Group's net loss after tax for the year was £2.7m (2020: £2.7m). No dividends have been paid in this or the prior year and there have been no significant post balance sheet events. Details of financial instruments are set out in Note 17.

Directors' interests in share options
Details of Directors' interests in shares, share options and service contracts are shown in the Directors' Remuneration Report.

Research and Development
The Group is continuing to research products in its chosen area.

Employee involvement
Employee involvement in the overall performance of the Group is encouraged through both formal and informal meetings which deal with a range of matters including the Group's financial performance, development progress and health and safety. Copies of the Annual Report and Interim Report are made available to all employees.

Political donations
The Group made no political donations in the current or prior year.

Authority to issue shares
At the Annual General Meeting on 15 July 2021 authority will be sought from shareholders to allow the Directors to allot relevant securities up to an aggregate nominal value of £227,073 representing one-third of the issued share capital, and to allot for cash equity securities having a nominal value not exceeding in aggregate £137,444 (being 20% of the issued share capital).

Share placing
During the year 137,490,676 ordinary shares were issued at a price of 8p per share raising £11.0 million before expenses.

Substantial shareholdings
At 12 June 2021, the Company had received notification from the following financial institutions of their and their clients' interest in the following disclosable holdings, which represent 3% or more of the voting rights of the issued share capital of the Company:

Shareholders having a major interest	Number of shares held	% of issued share capital
AXA Framlington Investment Management Limited	23,848,884	8.7%
Octopus Investments	21,875,000	8.0%
North West Funds (Biomedical) LP	16,186,446	5.9%
Seneca Investment Managers	14,932,071	5.4%
Chelverton Asset Management	12,500,000	4.5%
RAB Capital	8,750,000	3.2%
Newlands Capital	8,314,815	3.0%

DIRECTORS' REPORT
continued

Going concern
At 31 March 2021, the Group had cash and cash equivalents, including short-term investments and cash on deposit, of £11.59 million.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the current level of activities to the middle of 2023. They have therefore prepared the financial statements on a going concern basis.

Strategic Report
The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Disclosure of information to auditor
In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor are unaware; and
- each of the Directors has taken all steps that he/she ought to have taken as a Director to make himself/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 Auditors
RSM UK Audit LLP have expresses their willingness to continue in office as auditors for the year. A resolution to reappoint them will be presented at the forthcoming AGM.

Annual General Meeting
The notice convening and giving details of the 2021 AGM of the Company at Meeting room 30S30, Alderley Park, Congleton Road, Nether Alderley, Cheshire, SK10 4TG on 13 July 2021 has been sent to shareholders. If the laws and the UK Government's guidance regarding the COVID-19 pandemic which are current on Tuesday 13 July 2021 include the enforcement of social distancing and restrict indoor meetings, shareholders will not be permitted to attend the AGM and this will be held as a closed meeting as in 2020.

In the event that disruption to the 2021 AGM becomes unavoidable, we will announce any changes to the AGM as soon as practicably possible through the Company's website.

Approved by the Board of Directors and signed on behalf of the Board.

Barry Clare
Chairman

14 June 2021

Evgen Pharma plc
Liverpool Science Park Innovation Centre 2
146 Brownlow Hill, Liverpool
Merseyside L3 5RF

Company registration number: 09246681

CORPORATE GOVERNANCE REPORT

The Board applies the Quoted Companies Alliance ("QCA") Corporate Governance Code (to the extent practical given the Group's size and stage of development). The Directors support high standards of corporate governance and regards the QCA Code as appropriate to its stage of development. Evgen's strategy and business model is set out in the Strategic Report on pages 3-7.

Details of the role and activities of the Audit and Remuneration Committees are set out in subsequent sections of this report.

Full details of our Corporate Governance approach can be found on our website: www.evgen.com.

Board Structure

The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities is set out on page 18.

The Chairman and Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered. The Board currently comprises a Chairman, two Executive Directors and three Non-Executive Directors. The Board considers all the Non-Executive Directors to be independent. The Chairman and Non-Executive Directors receive a fee for their services. The Board holds regular meetings and is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions and overseeing the Group's progress to its goals.

The Board collectively has considerable experience in scientific, operational and financial development of biopharmaceutical companies. The experience, personal qualities and skills of the Directors are set out on page 8. The Directors regularly review the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group.

The Chairman and Non-Executive Directors maintain their skillsets through a combination of other executive, non-executive and advisory roles. In addition, knowledge is kept up to date on key issues and developments pertaining to the Group, and corporate governance matters, through updates from the Executive Directors and various external advisers.

In 2019 the Board sought advice from remuneration consultancies in connection with the adjustments to the LTI Plan noted in the Remuneration Committee's report on page 14.

Board Committees

The Board has established Audit and Remuneration Committees of the Board with formally delegated duties and responsibilities. The membership and activity of these Committees is discussed in more detail in their respective reports.

Group culture

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the working practices adopted by all employees in the Group and consistent with the Group's strategy; they reflect the high ethical and regulatory compliance required of a biopharmaceutical business. The small number of staff within the Group allows for an open culture to be maintained with weekly communication to staff regarding progress, and staff feedback is regularly sought. Non-Executive Directors have frequent contact with various staff members and are able to monitor culture accordingly.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. Health and Safety is a standing agenda item at all Board meetings with any incidents reported at these meetings.

Frequency of, and attendance at, meetings

During the year the Group held formal Board meetings, Audit Committee meetings and Remuneration Committee meetings with attendance at these meetings as follows:

	Board Meetings	Audit Committee	Remuneration Committee
Stephen Franklin	1/1	N/A	N/A
Huw Jones	6/6	N/A	N/A
Barry Clare	11/11	N/A	4/4
Richard Moulson	11/11	N/A	N/A
Susan Foden	11/11	2/3	4/4
Alan Barge	9/11	3/3	3/4
Susan Clement-Davies	11/11	3/3	N/A

Alan Barge, Sue Foden and Susan Clement-Davies are considered to be independent Non-Executive Directors. These Directors are required to work a minimum of two days per month.

CORPORATE GOVERNANCE REPORT
continued

Risk Management and Control
The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually.

The Group operates in an inherently high risk and heavily regulated sector and this is reflected in the principal risks and uncertainties set out on pages 6-7.

The Group maintains a risk register to monitor the various operating, financial, commercial and strategic risks faced by the business. This is reviewed and discussed at each monthly Board meeting.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board at each monthly Board meeting.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meet weekly to monitor clinical progress and to consider new risks and opportunities presented to the Group, communicating and advising the Board as appropriate.

Corporate Social Responsibility
The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours to take into account the interest of the Group's stakeholders, including its investors, employees, suppliers and business partners, when operating the business.

Employment
The Board recognises its legal responsibility to ensure the well-being, safety and welfare of its employees and maintain a safe and healthy working environment for them and for its visitors.

Relations with shareholders
The Board recognises the importance of communication with its shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. Our website has a section dedicated to investor matters and provides useful information for the Company's owners. The Board as a whole is responsible for ensuring that a satisfactory dialogue with shareholders takes place, while the Chairman and CEO ensure that the views of the shareholders are communicated to the Board as a whole. The Board ensures that the Group's strategic plans have been carefully reviewed in terms of their ability to deliver long-term shareholders value. Fully audited Annual Reports are published, and Interim Results statements notified via Regulatory Information Service announcements. All financial reports and statements are available on the Company's website.

Shareholders are welcome to attend the Group's AGM, at which they will have the opportunity to meet the Board. All shareholders will have at least 21 days' notice of the AGM at which the Directors will be available to discuss aspects of the Group's performance and to receive questions. If the laws and the UK Government's guidance regarding the COVID-19 pandemic which are current on Tuesday 13 July 2021 include the enforcement of social distancing and restrict indoor meetings, shareholders will not be permitted to attend the AGM and this will be held as a closed meeting as in 2020.

In the event that disruption to the 2021 AGM becomes unavoidable, we will announce any changes to the AGM as soon as practicably possible through the Company's website.

Board Performance
The Board will engage an independent third party organisation to manage a process for evaluation of its own performance, that of its committees and individual Directors, including the Chairman. The results of the evaluation process will be analysed and reported back to the Board for subsequent follow-up.

The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning.

Appraisals are carried out annually with all Executive Directors.

Barry Clare
Chairman

14 June 2021

REMUNERATION COMMITTEE REPORT

The members of the Remuneration Committee are Susan Foden, Barry Clare and Alan Barge. Susan Foden is the Chair of the Remuneration Committee.

The responsibilities of the Committee include the following:

- Determining and agreeing with the Board the remuneration policy for the Company.
- Determining remuneration structures through which the policy is implemented.
- Conducting an annual salary review and determining the actual annual remuneration for the Executive Directors.
- Reviewing the remuneration of the Chairman of the Board and recommending any changes thereto.

Our aim is to deliver a remuneration programme that rewards both achievement of short-term goals and fulfilment of our longer-term objectives in realising the clinical and commercial potential of Sulforadex®.

The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. The Executive Directors attend meetings by invitation but no Director is involved in discussions relating to their own remuneration.

We recognise the need to retain and motivate our Executive Directors and senior management team and the need to avoid making remuneration decisions solely based on shorter-term volatility. Accordingly, we include two performance-based elements in our remuneration programme; a short-term annual bonus programme, with pay-out based on achievement against pre-set personal and corporate goals for that year; and a long-term equity-based programme of share options, vesting after three years subject to the achievement of substantial, longer-term strategic objectives.

Remuneration Policy for Executive Directors

The Remuneration Committee sets a remuneration policy that through competitive salaries and short-term incentives by way of annual bonus aims to align remuneration with the attraction and retention of the best talent for the benefit of the Group, and incentivises and retains key employees by way of a longer-term element of reward aligned with shareholder interest and share price performance.

Since IPO Evgen has operated the following share plans:

- Evgen Deferred Bonus Plan (DBP)
- Evgen Long Term Incentive Plan (LTIP)

These plans are intended to maintain remuneration policy in line with market practice for an AIM listed company and ensure alignment between the reward strategy and business strategy. The Committee will continue to review the remuneration policy on a regular basis to ensure it remains fit for purpose for the Company, drives high levels of executive performance and remains competitive in the market.

The remuneration of the Executive Directors during the year ended 31 March 2021 is set out below:

Basic salary

Basic salaries are reviewed annually, with reference to independent salary surveys based on a cohort of comparable AIM-listed life science companies.

The purpose of the base salary is to:

- reflect market rates to support the recruitment and retention of key individuals;
- reflect the individual's experience, role and contribution with the Group;
- ensure that the Executive Directors are fairly rewarded for carrying out their duties.

Short term incentives – Annual Bonus

Executive Directors participate in a contractual bonus scheme under which they are eligible to receive a maximum annual bonus of 50% of salary. Other employees are entitled to bonus awards under the plan at lower percentages of salary. Annual bonus entitlements are based on the achievement of pre-set Group corporate goals and personal performance targets.

Performance targets for the financial year ending 31 March 2021 were set by the Remuneration Committee and include Group corporate and personal performance targets.

The Remuneration Committee considers that the targets support the business strategy, and that bonus arrangements represent an important element of the performance-related pay for the Executive Directors.

A proportion of the bonus payable to the Executives may be paid in cash and a proportion may be paid in shares through the Deferred Bonus Plan adopted by the Company at the time of IPO. The Committee determines on an annual basis the level of deferral of the bonus payment into Company share awards in the form of nil cost options up to a maximum of 50% of the bonus earned. DBP awards vest at the end of a three-year period from the relevant date of grant.

Benefits

Benefits in the form of pension contributions, private medical insurance and death in service insurance are provided to Executive Directors.

REMUNERATION COMMITTEE REPORT
continued

Long term incentives – Share Option Awards

SHARE PLANS OPERATED PRIOR TO ADMISSION

Prior to Admission the Company granted share awards under stand-alone option agreements as well as operating the following share plans:

- Evgen 2008 Share Option Scheme
- Evgen Limited Enterprise Management Incentive Plan

Further details of outstanding options under these arrangements are as set out on page 16.

LONG TERM INCENTIVE PLAN

On Admission the Company adopted an LTIP which allows share awards to be made in the form of nil cost options. The LTIP aligns the interest of Executive Directors with those of shareholders and on an ongoing basis forms a significant part of performance-related pay.

The maximum annual individual limit under the terms of the LTIP is 100% of salary, although awards up to 150% of salary may be awarded in exceptional circumstances. Share awards will normally vest over a three-year period subject to the achievement of stretching performance targets.

In 2020 the Remuneration Committee reviewed the use of absolute total shareholder return as the sole performance determinant. For all awards made in 2015-2017 and potentially 2018 in accordance with the terms of the LTIP, the criteria for the vesting of granted options either have not been met or are unlikely to be met. Thus none of these options have vested or are likely to vest.

In the opinion of the Remuneration Committee, this outcome is a fair reflection of the share price performance since IPO whilst at the same time it does not fulfil the aims of the LTIP to retain and incentivise key staff nor allow them to build a meaningful stake in the Company going forward.

Taking all this into consideration, the Remuneration Committee recommended that the reward structure and performance criteria for the LTIP awards be rebased such that they offered a realistic chance for the 3 year vesting of options granted in 2020 and onwards.

Following advice from external experts including RSM, the vesting of options based on the achievement of absolute total shareholder return targets was amended to performance targets relating to two criteria - total shareholder return measured against an index of comparator companies (70%), and delivery of strategic corporate objectives (30%). These new vesting conditions apply to awards made subsequent to the 2020 AGM. The aim of these changes is to continue to align management and shareholders whilst providing more relevant measures of performance. They will be kept under review.

Pension

The Group pays pension contributions for Executive Directors and employees into personal pension schemes.

Executive Directors' service contracts and termination provisions

The service contracts of Executive Directors are approved by the Board. The service contracts may be terminated by either party giving 6 months' notice to the other. The details are summarised below:

	Date of Contract	Notice period
Huw Jones	1 October 2020	6 months
Richard Moulson	17 January 2017	6 months

Non-Executive Directors

Non-Executive Directors have entered into Letters of Appointment with the Company, with the Board determining the fees with regard to market comparatives and similar businesses. The Non-Executive Directors do not participate in the Group's pension or bonus schemes. Awards under stand-alone option agreements may be made in special circumstances. Appointments are terminable on one month's notice by either party.

As set out below the Chairman and Non-Executive Directors were awarded non-LTIP options in 2020 as compensation for additional duties undertaken pending appointment of the new CEO. The contractual terms for Non-Executive Directors are reviewed by the Board annually. Current contracts are set out below:

	Date of Appointment	Initial term
Barry Clare	14 October 2015	1 months' notice
Susan Foden	14 October 2015	Three years
Alan Barge	14 October 2015	Three years
Susan Clement-Davies	1 November 2018	Three years

Non-Executive Directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period.

Directors' remuneration during the year ended 31 March 2021

The Directors received the following remuneration during the year:

	Salaries and fees £	Taxable benefits £	Bonuses £	Pension contributions £	Total year ended 31 March 2021 £	Salaries and fees £	Taxable benefits £	Bonuses £	Pension contributions £	Total year ended 31 March 2020 £
Executive										
Stephen Franklin*	174,311	3,330	—	2,637	**180,278**	158,248	3,053	28,485	15,941	205,727
Huw Jones**	88,000	2,043	41,360	5,000	**136,403**	—	—	—	—	—
Richard Moulson[1]	76,975	5,286	25,023	—	**107,284**	71,877	3,586	9,937	—	85,400
Non-Executive										
Barry Clare	45,810	—	—	—	**45,810**	41,667	—	—	—	41,667
Susan Foden	26,977	—	—	—	**26,977**	26,500	—	—	—	26,500
Alan Barge	22,905	—	—	—	**22,905**	22,500	—	—	—	22,500
Susan Clement-Davies	26,977	—	—	—	**26,977**	26,167	—	—	—	26,167
	461,955	10,659	66,383	7,637	**546,634**	346,959	6,639	38,422	15,941	407,961

*Dr Franklin resigned from the Company on 30 April 2020. Dr Franklin's service contract contained a 12-month notice period pursuant to which a total of £161,096 was paid in instalments during the year, in lieu of notice.

**Dr Jones was appointed to the Company on 1 October 2020.

Dr Franklin exercised share options during the year following his departure on which pre-tax gains of £357,770 in total were made. (2020: £nil).

No Directors waived emoluments in the period ended 31 March 2021.

[1] Includes fees of £19,225 (2020: £15,069) paid to FD Consult Ltd, a related party as detailed in Note 18.

Directors' shareholdings

The Directors, together with their beneficial interest in the shares of the Company are as follows:

Ordinary shares of 0.25p each	At 31 March 2021	At 31 March 2020
Executive		
Huw Jones	**62,500**	—
Richard Moulson	**45,454**	41,667
Non-Executive		
Barry Clare[1]	**1,023,441**	1,023,441
Susan Foden	**125,000**	—
Alan Barge	**—**	—
Susan Clement-Davies	**—**	—

[1] Of the ordinary shares set out above Barry Clare is indirectly interested in 592,508 (2018: 592,508) ordinary shares in the Company held by Clarat Partners LLP by virtue of being a member of Clarat Partners LLP.

Bonus

In recognition of the achievement of stretching corporate and personal objectives set at the beginning of the year, the Committee determined to pay cash bonuses to the Executive Directors following pre agreed maxima. In each case, bearing in mind overall share price performance during the year, the Committee determined to use downward discretion in confirming individual bonus awards and thus the actual bonus payments made were adjusted downwards. The resultant amounts are set out in the table above.

Benefits/Pensions

Details of payments in respect of benefits and pensions arrangements for the Executive Directors are set out in the table above.

Directors' Share Options

Share options may be granted under the LTIP as follows:

- An initial award to Executive Directors on joining the Company to support the recruitment and drive retention.
- An annual award to Executive Directors and other staff members to be made around the time of the AGM.

REMUNERATION COMMITTEE REPORT

continued

In relation to existing LTIP awards made up to and including January 2020, annual awards vest against performance testing on the third anniversary from the date of grant. The percentage that vests is determined by the Company's absolute total shareholder return (TSR) at the vesting date against a sliding scale. In the case of awards made during 2015 and 2016, from 25% if the price is at least 37p up to 100% on a straight-line basis if it is 55p or greater; if the price is less than 37p these options lapse. For awards made during 2017, 2018 and in January 2020, vesting is on a similar straight-line basis by reference to TSR where 25% vest if TSR is 10% from the date of grant and 100% vest if it is 20%; if TSR is less than 10% these options will lapse.

For awards made in and from July 2020, the quantum of options vesting at 3 years will be based on relative shareholder return against a basket of comparable companies and achievement of specified corporate goals. The former will account for up to 70% of the total with nil vesting at below median performance, 25% vesting at median and then on a straight-line basis up to 100% vesting at upper quartile performance. Achievement of corporate goals will account for up to 30% of the total with the proviso that no awards will vest unless at least median shareholder return is achieved.

In October 2020, on the recommendation of the Chairman and approval by the Executive Directors, nil cost options were granted to the NEDs by way of unapproved option agreements as payment in kind for additional services provided during the period when the Company was without a CEO. Following recommendation by the Remuneration Committee a similar award was made to the Chairman of the Board. These options are subject to the same performance conditions governing the LTIP awards as set out above.

Details of the awards together with outstanding options granted to the Executive Directors prior to Admission are set out in the table below.

Director	Plan	Date of grant	At 1 April 2020	Granted during the period	Lapsed during the period	Exercised during the period	At 31 March 2021	Price per share (pence)	Date from which exercisable	Expiry date
Stephen Franklin*	Pre IPO	21 Nov 2011	1,015,200	—	—	(1,015,200)	—	5.0000	31 Aug 2013	20 Nov 2021
	Pre IPO	23 Dec 2013	1,940,800	—	—	(1,940,800)	—	2.6538	21 Oct 2015	22 Dec 2023
	Pre IPO	26 Jun 2015	884,000	—	—	(884,000)	—	0.8875	21 Oct 2015	26 Jun 2025
	Pre IPO	26 Jun 2015	132,800	—	—	(132,800)	—	0.8750	21 Oct 2015	26 Jun 2025
	LTIP	21 Oct 2015	389,189	—	—	(389,189)	—	Nil	21 Oct 2015	20 Oct 2025
	LTIP	21 Oct 2015	389,189	—	—	(389,189)	—	Nil	21 Oct 2016	20 Oct 2025
	LTIP	21 Dec 2017	437,760	—	(437,760)	—	—	Nil	21 Dec 2021	20 Dec 2027
	LTIP	28 Jan 2019	471,061	—	(274,786)	—	196,275	Nil	28 Jan 2022	27 Jan 2029
	LTIP	18 Jul 2019	613,048	—	(459,786)	—	153,262	Nil	18 Jul 2022	18 Jul 2029
			6,273,047	**—**	**(1,172,332)**	**(4,751,178)**	**349,537**			
Huw Jones	LTIP**	5 Oct 2020	—	**2,978,004**	—	—	**2,978,004**	Nil	5 Oct 2023	5 Oct 2030
Barry Clare	Pre IPO	18 Aug 2010	456,000	—	(456,000)	—	—	0.8875	21 Oct 2015	17 Aug 2021
	Pre IPO	11 Jan 2011	86,400	—	(86,400)	—	—	0.8750	8 Jul 2014	10 Jan 2021
	Pre IPO	25 Nov 2011	272,000	—	—	—	272,000	5.0000	31 Aug 2013	24 Nov 2021
	Pre IPO	14 Aug 2013	224,800	—	—	—	224,800	10.6150	14 Aug 2015	13 Aug 2023
	LTIP	21 Oct 2015	145,945	—	—	—	145,945	Nil	21 Oct 2015	20 Oct 2025
	LTIP	21 Oct 2015	145,946	—	—	—	145,946	Nil	21 Oct 2016	20 Oct 2025
	Non-LTIP	5 Oct 2020	—	380,711	—	—	380,711	Nil	5 Oct 2023	5 Oct 2030
			1,331,091	**380,711**	**(542,400)**	**—**	**1,169,402**			
Richard Moulson	LTIP	21 Dec 2017	289,352	—	(289,352)	—	—	Nil	21 Dec 2021	20 Dec 2027
	LTIP	28 Jan 2019	155,682	—	—	—	155,682	Nil	28 Jan 2022	27 Jan 2029
	LTIP	18 Jul 2019	202,608	—	—	—	202,608	Nil	18 Jul 2022	18 Jul 2029
		5 Oct 2020	—	337,817	—	—	337,817	Nil	5 Oct 2023	5 Oct 2030
			647,642	**337,817**	**(289,352)**	**—**	**696,107**			
Susan Foden	Pre IPO	25 Nov 2011	136,000	—	—	—	136,000	5.0000	31 Aug 2013	24 Nov 2021
	Non-LTIP	5 Oct 2020	—	112,098	—	—	112,098	Nil	5 Oct 2023	5 Oct 2030
			136,000	**112,098**	**—**	**—**	**248,098**			
Alan Barge	Pre IPO	1 May 2012	272,000	—	—	—	272,000	5.0000	1 May 2014	1 May 2022
	Non-LTIP	5 Oct 2020	—	95,178	—	—	95,178	Nil	5 Oct 2023	5 Oct 2030
			272,000	**95,178**	**—**	**—**	**367,178**			
Susan Clement-Davies	Non-LTIP	5 Oct 2020	—	110,690	—	—	110,690	Nil	5 Oct 2023	5 Oct 2030
			8,659,780	**4,014,498**	**(2,004,084)**	**(4,751,178)**	**5,919,016**			

*Dr Franklin resigned from the Company on 30 April 2020. Under the terms of his settlement agreement, he exercised all options that had vested by 30th April 2020, and retains the right to exercise a proportion of the LTIP options granted in 2019 subject to the relevant vesting conditions being deemed to have been met in 2022.

**Options over 1,489,002 awarded to Dr Jones will vest if, over the relevant performance period, the Board determine that his performance as Chief Executive Officer has been satisfactory. Performance related to corporate objectives or relative shareholder return will not be considered for these options.

Susan Foden
Remuneration Committee Chair

14 June 2021

AUDIT COMMITTEE REPORT

The Audit Committee is a subcommittee of the Board and is responsible for ensuring effective governance over financial reporting and internal controls. The Committee represents the interests of the shareholders in relation to the integrity of information and the effectiveness of audit processes in place. The members of the Audit Committee are Susan Clement-Davies (Chair), Susan Foden and Alan Barge.

The responsibilities of the Committee include the following

- Monitoring the integrity of the financial statements of the Group
- Reviewing the accounting policies, accounting treatments and disclosures in the financial statements
- Reviewing the Group's internal financial controls and risk management systems
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee normally meets at least three times a year with time allowed for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern. Audit Committee meetings may be attended, by invitation, by the Chief Financial Officer and other Directors and by the Group's auditors.

The Committee has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and Interim Statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

During the year ended 31 March 2021, the Audit Committee met three times. The Committee reviewed and approved the financial statements for the year ended 31 March 2021, the interim results for the six months to 30 September 2020 and the external auditor's plan for the 2021 external audit. The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that significant judgements have been robustly challenged. No significant issues have been reported by the auditor.

In order to comply with recent legislative changes in Ethical Standards for Auditors that prevent RSM from providing tax advice to the Group, the Committee appointed an independent tax consultancy to prepare and submit the filing of the 2020 tax return and R&D tax credit application.

The Audit Committee does not believe it necessary at this time to propose re-tendering of the audit contract. A resolution for the reappointment of RSM as the statutory auditor will be proposed at the forthcoming Annual General Meeting. No formal recommendations other than the approval of the Interim Statement and Annual Report and Accounts have been made to the Board by the Audit Committee.

In accordance with audit regulations concerning the period over which the stipulated audit partner can serve, a new partner has taken over responsibility for the audit.

Susan Clement-Davies
Audit Committee Chair

14 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under Company law to prepare Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as adopted by the UK and have elected under company law to prepare the Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Group and Company financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 Evgen Pharma plc website.

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

INDEPENDENT AUDITORS' REPORT

to the members of EVGEN PHARMA plc

Opinion

We have audited the financial statements of Evgen Pharma plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statement of changes in equity, consolidated and company statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the integrity and accuracy of the cashflow forecasts prepared by management;
- assessing the appropriateness of assumptions and explanations provided by management to supporting information, where available; and
- evaluating the accuracy and consistency of disclosures made in the financial statements in respect of principal risks and going concern.

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 group's or the parent company'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.

Summary of our audit approach

Key audit matters	**Group and Parent Company** • None
Materiality	**Group** • Overall materiality: £160,000 (2020: £156,000) • Performance materiality: £120,000 (2020: £117,000) **Parent Company** • Overall materiality: £62,500 (2020: £114,000) • Performance materiality: £46,800 (2020: £85,500)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

INDEPENDENT AUDITORS' REPORT
continued

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent Company
Overall materiality	£160,000 (2020: £156,000)	£62,500 (2020: £114,000)
Basis for determining overall materiality	5% of loss before tax	5% of loss before tax
Rationale for benchmark applied	Loss before tax chosen as net expenditure is a key measure of activity level	Loss before tax chosen as net expenditure is a key measure of activity level
Performance materiality	£120,000 (2020: £117,000)	£46,800 (2020: £85,500)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £8,030 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £3,120 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 2 components, both of which are based in the UK.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	100%	100%	100%
Total	**2**	**100%**	**100%**	**100%**

There were no audit procedures undertaken by component auditors.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team included:
IFRS; **Companies Act 2006; and** **AIM listing rules**	Review of the financial statement disclosures and testing to supporting documentation; and Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of external tax advisor's provision and workings.

INDEPENDENT AUDITORS' REPORT
continued

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Alan Aitchison (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG

14 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Notes	**Year ended 31 March 2021 £'000**	Year ended 31 March 2020 £'000
Revenue		**194**	—
Operating expenses			
Operating expenses	3	**(3,519)**	(2,998)
Share based compensation	5	**112**	(168)
Total operating expenses	3	**(3,407)**	(3,166)
Operating loss	3	**(3,213)**	(3,166)
Loss on ordinary activities before taxation		**(3,213)**	(3,166)
Taxation	6	**539**	451
Loss and total comprehensive expense attributable to equity holders of the parent for the year		**(2,674)**	(2,715)
Loss per share attributable to equity holders of the parent (pence)	7		
Basic loss per share		**(1.82)**	(2.10)
Diluted loss per share		**(1.82)**	(2.10)

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 March 2021

	Notes	Group		Company	
		As at 31 March 2021 £'000	As at 31 March 2020 £'000	**As at 31 March 2021 £'000**	As at 31 March 2020 £'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	**5**	2	**2**	—
Intangible assets	9	**66**	82	**—**	—
Investments in subsidiary undertaking	10	**—**	—	**73**	73
Total non-current assets		**71**	84	**75**	73
Current assets					
Trade and other receivables	11	**235**	196	**10,513**	8,362
Current tax receivable		**519**	446	**21**	59
Short-term investments and cash on deposit	12	**6,000**	—	**6,000**	—
Cash and cash equivalents	12	**5,593**	4,131	**5,122**	4,001
Total current assets		**12,347**	4,773	**21,656**	12,422
Total assets		**12,418**	4,857	**21,731**	12,495
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	13	**607**	653	**562**	395
Total current liabilities		**607**	653	**562**	395
Equity					
Ordinary shares	14	**687**	331	**687**	331
Share premium	14	**27,870**	17,831	**27,870**	17,831
Merger reserve	14	**2,067**	2,067	**—**	—
Share based compensation	14	**359**	1,890	**359**	1,274
Retained deficit	14	**(19,172)**	(17,915)	**(7,747)**	(7,336)
Total equity attributable to equity holders of the parent		**11,811**	4,204	**21,169**	12,100
Total liabilities and equity		**12,418**	4,857	**21,731**	12,495

No Statement of Comprehensive Income is presented in these financial statements for the parent company as provided by Section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the parent company was £1,212k (2020: £2,226k).

The financial statements on pages 23 to 44 were approved by the Board of Directors and authorised for issue on 14 June 2021 and were signed on its behalf by:

Barry Clare
Chairman

14 June 2021

Evgen Pharma plc,
Registered number: 09246681

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Ordinary shares £'000	Share premium £'000	Merger reserve £'000	Share based compensation £'000	Retained deficit £'000	Total £'000
Balance at 31 March 2019	247	13,240	2,067	1,722	(15,200)	2,076
Total comprehensive expense for the period	—	—	—	—	(2,715)	(2,715)
Transactions with owners						
Share issue – cash	83	4,589	—	—	—	4,672
Share issue – options exercised	1	2	—	—	—	3
Share based compensation – share options	—	—	—	168	—	168
Total transactions with owners	**84**	**4,591**	**—**	**168**	**—**	**4,843**
Balance at 31 March 2020	**331**	**17,831**	**2,067**	**1,890**	**(17,915)**	**4,204**
Total comprehensive expense for the period	—	—	—	—	(2,674)	(2,674)
Transactions with owners						
Share issue – cash	344	9,938	—	—	—	10,282
Share issue – options exercised	12	101	—	(2)	—	111
Share issue – lapsed options	—	—	—	(1,417)	1,417	—
Share based compensation – share options	—	—	—	(112)	—	(112)
Total transactions with owners	**356**	**10,039**	**—**	**(1,531)**	**1,417**	**10,281**
Balance at 31 March 2021	**687**	**27,870**	**2,067**	**359**	**(19,172)**	**11,811**

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Ordinary shares £'000	Share premium £'000	Share based compensation £'000	Retained deficit £'000	Total £'000
Balance at 31 March 2019	247	13,240	1,106	(5,110)	9,483
Total comprehensive expense for the period	—	—	—	(2,226)	(2,226)
Transactions with owners					
Share issue – cash	83	4,589	—	—	4,672
Share issue – options exercised	1	2	—	—	3
Share based compensation – share options	—	—	168	—	168
Total transactions with owners	**84**	**4,591**	**168**	**—**	**4,843**
Balance at 31 March 2020	**331**	**17,831**	**1,274**	**(7,336)**	**12,100**
Total comprehensive expense for the period	—	—	—	(1,212)	(1,212)
Transactions with owners					
Share issue – cash	344	9,938	—	—	10,282
Share issue – options exercised	12	101	(2)	—	111
Share issue – lapsed options	—	—	(801)	801	—
Share based compensation – share options	—	—	(112)	—	(112)
Total transactions with owners	**356**	**10,039**	**(915)**	**801**	**10,281**
Balance at 31 March 2021	**687**	**27,870**	**359**	**(7,747)**	**21,169**

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 March 2021

	Group		Company	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	**Year ended 31 March 2021 £'000**	Year ended 31 March 2020 £'000
Cash flows from operating activities				
Loss before taxation	**(3,213)**	(3,166)	**(1,251)**	(2,291)
Depreciation and amortisation	**18**	21	**—**	—
Share based compensation	**(112)**	168	**(112)**	168
	(3,307)	(2,977)	**(1,363)**	(2,123)
Changes in working capital				
(Increase)/decrease in trade and other receivables	**(39)**	(61)	**(2,150)**	(800)
(Decrease)/increase in trade and other payables	**(46)**	(35)	**167**	177
Cash used in operations	**(85)**	(96)	**(1,983)**	(623)
Taxation received	**466**	497	**76**	169
Net cash (outflow)/inflow from operating activities	**(2,926)**	(2,576)	**(3,270)**	(2,577)
Cash flows from investing activities				
Monies placed on fixed-term deposit	**(6,000)**	—	**(6,000)**	—
Acquisition of tangible fixed assets	**(5)**	(1)	**(2)**	—
Net cash (outflow)/inflow from investing activities	**(6,005)**	(1)	**(6,002)**	—
Cash flows from financing activities				
Proceeds from issue of shares	**11,110**	5,003	**11,110**	5,003
Issue costs	**(717)**	(328)	**(717)**	(328)
Net cash inflow from financing activities	**10,393**	4,675	**10,393**	4,675
Movements in cash and cash equivalents in the period	**1,462**	2,098	**1,121**	2,098
Cash and cash equivalents at start of period	**4,131**	2,033	**4,001**	1,903
Cash and cash equivalents at end of period	**5,593**	4,131	**5,122**	4,001

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Evgen Pharma plc ('the Company') is a public limited company incorporated in England & Wales and whose shares are traded on the AIM market of the London Stock Exchange under the symbol EVG. The address of its registered office is Liverpool Science Park Innovation Centre 2, 146 Brownlow Hill, Liverpool, Merseyside L3 5RF. The principal activity of the Company is clinical stage drug development.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Basis of preparation

The Group and Company financial statements for the year have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as adopted by the UK.

The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are presented in Sterling (£) and rounded to the nearest £'000. This is the predominant functional currency of the Group, and is the currency of the primary economic environment in which it operates. Foreign transactions are accounted for in accordance with the policies set out below.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and, has the ability to use its power to affect its returns. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Going concern

At 31 March 2021, the Group had cash and cash equivalents, including short-term investments and cash on deposit, of £11.59 million.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the current level of activities to the middle of 2023. They have therefore prepared the financial statements on a going concern basis.

Currencies

Functional and presentational currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The presentational currency of the Group is GBP.

Intangible assets

Intangible assets with finite useful lives that are acquired externally are carried at cost less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives as below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Licences – 10-20 years

An impairment review is performed annually.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Plant, fixtures and fittings – 4 years reducing balance
IT Equipment – 3 years straight line

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 Consolidated Statement of Comprehensive Income.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from right-to-use licences is recognised at the point in time that the performance condition is satisfied.

Research and development expenditure

All research and development costs, whether funded by third parties under licence and development agreements or not, are included within operating expenses and classified as such. Research and development costs relating to clinical trials are recognised over the period of the clinical trial based on information provided by clinical research organisations. All other expenditure on research and development is recognised as the work is completed.

All ongoing development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory and other uncertainties inherent in the development of the Group's programmes, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38, 'Intangible assets', are not met until the product has been submitted for regulatory approval, such approval has been received and it is probable that future economic benefits will flow to the Group. The Group does not currently have any such internal development costs that qualify for capitalisation as intangible assets.

Income tax

The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current income tax
Current tax, including R&D tax credits, is based on taxable income for the period and any adjustment to tax from previous periods. Taxable income differs from net income in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods or that are never taxable or deductible. The calculation uses the latest tax rates for the period that have been enacted or substantively enacted by the dates of the Consolidated Statement of Financial Position.

(b) Deferred tax
Deferred tax is calculated at the latest tax rates that have been substantially enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

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 income, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets are not recognised due to uncertainty concerning crystallisation.

NOTES TO THE FINANCIAL STATEMENTS
continued

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Pension costs
The Group makes contributions to the private pension schemes of Directors and employees.

Share-based compensation
The Group issues share-based payments to certain employees and Directors and warrants have been issued to certain suppliers. Equity-settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, along with a corresponding increase in equity.

At each reporting date, the Group 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 any revision is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity reserves.

The fair value of share options and warrants are determined using a Black-Scholes model, taking into consideration the best estimate of the expected life of the option or warrant and the estimated number of shares that will eventually vest.

Most awards are made to employees of the Company. Awards granted to the employees of the subsidiary company are expensed in the Company's financial statements at fair value on the grant date, with a corresponding increase in Company's equity.

Operating segments
The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8.

The results and assets for this segment can be determined by reference to the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables
Trade and other receivables that do not contain a significant financing component are initially recognised at fair value and subsequently held at amortised cost less provision for impairment. Impairment is calculated on a 12 month/lifetime expected credit loss model.

Recoverability of intercompany receivables
Amounts owed by subsidiary undertaking represent loans made to the Company's main subsidiary on an interest-free basis. No repayment terms have been mandated.

In accordance with IFRS 9 Financial Instruments, as the subsidiary undertaking cannot repay the loan at the reporting date, the Company has made an assessment of expected credit losses. Having considered multiple scenarios on the manner, timing, quantum and probability of recovery of the receivables a lifetime expected credit loss (ECL) of £1,370,000 (2020: £1,100,000) has been provided.

The calculation of the allowance for lifetime expected credit losses requires a significant degree of estimation and judgment, in particular determining the probability weighted likely outcome for each scenario considered. The Directors assessment of ECL included repayment through future cash flows over time (which are inherently difficult to forecast for the Company at its current stage of development) and also the amount that could be realised through an immediate sale of the subsidiary undertaking. The Directors' assessment of repayment through future cash flows contained several scenarios, including ones where the loan was not recovered in full.

The carrying value of amounts owed by subsidiary undertakings at 31 March 2021 was £10,359,000 (2020: £8,186,000) and is disclosed in note 11 to the financial statements.

Cash, cash equivalents and short-term investments
Cash and cash equivalents consist of cash on hand and demand deposits. Short-term investments and cash on deposit comprise deposits with maturities of more than three months, but no greater than 12 months.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Trade and other payables
Trade and other payables are not interest-bearing and are stated at nominal value.

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Fair value estimation
The carrying value less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values because of the short term nature of such assets and the effect of discounting liabilities is negligible.

Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, the Directors make estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty
Receivables from the subsidiary represents an interest free amounts advanced to group companies with no fixed repayment dates, being amounts due from Evgen Limited advanced to support the Group's research expenditure. In accordance with IFRS 9 'Financial Instruments', where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

The R&D tax credit figure of £0.54m included in the accounts is a management estimate which is subject to amendment by HMRC.

Share based payment charge
During the years ended 31 March 2021 and 31 March 2020, the Group issued a number of share options to certain employees. A Black-Scholes model was used to calculate the appropriate charge for these periods. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. The total charge recognised in the year to 31 March 2021 was £188,000 (year to 31 March 2020: £168,000).

Accounting developments
Where applicable, the Group and Company adopted the following standards effective from the 1 January 2020. The Group and Company have applied these standards in the preparation of the financial statements and has not adopted any new or amended standards early.

	Effective Date
Amendment to IFRS 3 Business Combinations	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS17 Interest Rate Benchmark Reform	1 January 2020
Amendments to IAS 1 and IAS 8 Definition of Material	1 January 2020
UK IFRS Departure from EU IFRS on Brexit	31 January 2020
Amendment to IFRS 16 COVID-19 – Related Rent Concessions	1 June 2020

NOTES TO THE FINANCIAL STATEMENTS
continued

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

UK IFRS
The Group has adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 which are currently the same as EU IFRS, and accordingly there are no consequential changes to the consolidated financial statements of the Group for the years to 31 March 2020 and 31 March 2021.

IFRS issued but not yet effective
At the date of issue of these financial statements, the following accounting standards and interpretations, which have not been applied, were in issue but not yet effective. The Directors do not anticipate adoption of the standards listed below will have a material impact on the financial statements or they consider the implementation too uncertain to speculate on the impact on the accounts at this point in time.

	Effective Date
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS17 1 January 2021	1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 1 January 2021	1 January 2021

3. OPERATING LOSS

An analysis of the Group's operating loss has been arrived at after charging/(crediting):

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Research and development expenses:		
Amortisation of licences	**16**	16
Other research and development	**2,011**	1,699
Staff costs (including share-based compensation) – Note 5	**716**	831
Establishment and general:		
Depreciation of property, plant and equipment	**2**	5
Lease cost – land and buildings	**18**	30
Foreign exchange loss/(profit)	**9**	20
Other administrative expenses	**635**	565
Total operating expenses	**3,407**	3,166

The Group has one reportable segment, namely the development of pharmaceutical products all within the United Kingdom.

4. AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration is as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Fees payable to the Group's auditors for the audit of:		
the consolidated and Company annual accounts	**17**	17
the subsidiary's annual accounts	**16**	16
Total audit fees	**33**	33
Audit related services	**4**	3
Total audit related fees	**4**	3
Other services	**2**	11
Total non-audit fees	**2**	11

5. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including Executive Directors) employed by the Group was

	Group		**Company**	
	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number	**Year ended 31 March 2021 Number**	Year ended 31 March 2020 Number
Management	**3**	3	**3**	3
Administration	**1**	1	**—**	—
Development	**1**	1	**—**	—
Non-Executive	**3**	3	**3**	3
Average total persons employed	**8**	8	**6**	6

As at 31 March 2021 the Group had 8 employees (31 March 2020: 9).

NOTES TO THE FINANCIAL STATEMENTS
continued

5. EMPLOYEES AND DIRECTORS (continued)

Staff costs in respect of these employees were:

	Group		Company	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	**Year ended 31 March 2021 £'000**	Year ended 31 March 2020 £'000
Wages and salaries	**721**	564	**532**	445
Social security	**86**	65	**63**	50
Employers pension costs	**21**	34	**7**	25
Total payrolled employee costs	**828**	663	**602**	520
Share-based payments	**(112)**	168	**(112)**	168
Total employee costs	**716**	831	**490**	688

The Group makes contributions to the private pension schemes of Directors and employees. The current and previous CEO received payments into a private pension scheme for the period of their employment (2020: one).

The total remuneration of the highest paid Director excluding grants of share options was £180,278 (31 March 2020: £205,727).

The Directors have the authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of the Group and they therefore comprise key management personnel as defined by IAS 24.

Aggregate emoluments of Directors:

	Group and Company	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Salaries and other short-term employee benefits	**539**	392
Employers National Insurance	**64**	44
Pension contributions	**8**	16
Options vesting under share option schemes	**—**	—
Total remuneration including vesting of share options	**611**	452

Directors' emoluments include amounts payable to third parties as described in Note 18.

6. TAXATION

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current tax		
Current period – UK corporation tax	**—**	—
R&D tax credit	**519**	446
Adjustments in respect of prior periods	**20**	5
Net tax credit	**539**	451

The tax charge for each period can be reconciled to the loss per consolidated statement of comprehensive income as follows:

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Loss on ordinary activities before taxation	**(3,213)**	(3,166)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 19% (2020: 19%)	**(610)**	(601)
Effects of:		
Losses not recognised	**610**	601
R&D tax credit	**(539)**	(451)
Tax credit for the year	**(539)**	(451)

The Group has an unrecognised deferred tax asset of £3.7m (2020: £3.1m) related to accumulated tax losses. The Company has an unrecognised deferred tax asset of £2.0m (2020: £1.6m) related to accumulated tax losses. These assets are not recognised due to the uncertainty in the timing of crystallisation.

NOTES TO THE FINANCIAL STATEMENTS
continued

7. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders by the weighted average number of ordinary shares outstanding during the year.

As at 31 March 2021 the Group had 6,402,754 (2020: 9,531,367) share options outstanding which are potentially dilutive.

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

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Loss for the year attributable to equity holders for basic loss	**(2,674)**	(2,715)

	Year ended 31 March 2021 Number	Year ended 31 March 2020 Number
Weighted average number of ordinary shares for basic loss per share	**147,019,536**	129,315,418
Effects of dilution: Share options	**—**	—
Weighted average number of ordinary shares adjusted for the effects of dilution	**147,019,536**	129,315,418

	Year ended 31 March 2021 Pence	Year ended 31 March 2020 Pence
Loss per share – basic and diluted	**(1.82)**	(2.10)

The loss and the weighted average number of ordinary shares for the years ended 31 March 2020 and 2021 used for calculating the diluted loss per share are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive under the terms of International Accounting Standard ("IAS") No 33.

8. PROPERTY, PLANT AND EQUIPMENT

Group	Plant, fixtures & fittings £'000	IT Equipment £'000	Total £'000
Cost			
At 31 March 2019	2	22	24
Additions	—	1	1
At 31 March 2020	2	23	25
Additions	—	5	5
At 31 March 2021	**2**	**28**	**30**
Accumulated Depreciation			
At 31 March 2019	1	17	18
Charge for the period	1	4	5
At 31 March 2020	2	21	23
Charge for the period	—	2	2
At 31 March 2021	**2**	**23**	**25**
Net Book Value			
At 31 March 2019	1	5	6
At 31 March 2020	—	2	2
At 31 March 2021	**—**	**5**	**5**

Company	Plant, fixtures & fittings £'000	IT Equipment £'000	Total £'000
Cost			
At 31 March 2019	—	—	—
Additions	—	—	—
At 31 March 2020	—	—	—
Additions	—	2	2
Disposals	—	—	—
At 31 March 2021	**–**	**2**	**2**
Accumulated Depreciation			
At 31 March 2019	—	—	—
Charge for the period	—	—	—
Disposals	—	—	—
At 31 March 2020	—	—	—
Charge for the period	—	—	—
Disposals	—	—	—
At 31 March 2021	**—**	**—**	**—**
Net Book Value			
At 31 March 2019	—	—	—
At 31 March 2020	—	—	—
At 31 March 2021	**—**	**2**	**2**

Depreciation is charged to operating expenses.

NOTES TO THE FINANCIAL STATEMENTS
continued

9. INTANGIBLE ASSETS

Group	Licences £'000
Cost	
At 31 March 2019, 31 March 2020 and 31 March 2021	**168**
Amortisation	
At 31 March 2019	70
Charge for the period	16
At 31 March 2020	86
Charge for the period	16
At 31 March 2021	**102**
Net Book Value	
At 31 March 2019	98
At 31 March 2020	82
At 31 March 2021	**66**

Intangible assets constitute licenses to intellectual property. The remaining amortisation periods are between 4 months and 15 years.

Amortisation is charged to operating expenses. The Group reviewed the amortisation period and the amortisation method for the intangible assets at the end of the reporting period and considered them appropriate.

The Group continually monitors events and changes in circumstances that could indicate that the intangible assets may be impaired.

As at 31 March 2021, the Company had no intangible assets (31 March 2020: £nil).

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The consolidated financial statements of the Group as at 31 March 2021 include:

Name of subsidiary	Class of share	Place of incorporation	Principle activities	Proportion of ownership interest	Proportion of voting rights held
Evgen Limited	Ordinary	United Kingdom	Operations	100%	100%

The registered office of Evgen Limited is 146 Brownlow Hill, Liverpool, L3 5RF.
The cost for the investment in the subsidiary for both financial years was £73,000 with no impairments.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	**Year ended 31 March 2021 £'000**	Year ended 31 March 2020 £'000
Amounts receivable within one year				
Other receivables	**16**	16	**—**	—
Other taxation and social security	**117**	69	**115**	66
Prepayments	**102**	111	**39**	110
Amounts due from subsidiary undertakings	**—**	—	**10,359**	8,186
Trade and other receivables	**235**	196	**10,513**	8,362

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade and other receivables the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. For details on the Group's credit risk management policies, refer to Note 17. The carrying amounts of the Group's receivables are all denominated in Pounds Sterling.

No classes within trade and other receivables contain assets which are considered to be impaired. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The amounts owed by subsidiary undertakings include a loan to Evgen Limited for £10,359k (2020: £8,186). There is no interest payable on this loan and no fixed repayment date. The Parent Company has confirmed that it does not intend to seek repayment of the loan balance for at least twelve months from the date of these financial statements. The intercompany loan has been impaired by £1,370,000 (2020: £1,100,000) under IFRS 9 as set out in note 2.

12. CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

	Group		Company	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	**Year ended 31 March 2021 £'000**	Year ended 31 March 2020 £'000
Short-term investments and cash on deposit	**6,000**	—	**6,000**	—
Cash at bank and in hand	**5,593**	4,131	**5,122**	4,001
	11,593	4,131	**11,122**	4,001

Under IAS 7 Statement of Cash Flows, cash held on long-term deposits (being deposits with maturity of greater than three months and no more than twelve months) that cannot readily be converted into cash has been classified as a short-term investment. The maturity on this investment was less than twelve months at the reporting date.

At 31 March 2021 no cash or cash equivalents were held on deposit in either the Group or the Company.

The Directors consider that the carrying value of cash and cash equivalents and short-term investments approximates their fair value. For details on the Group's credit risk management refer to note 17.

13. TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31 March 2021 £'000	As at 31 March 2020 £'000	**As at 31 March 2021 £'000**	As at 31 March 2020 £'000
Amounts falling due within one year				
Trade payables	**408**	516	**408**	300
Other taxation and social security	**26**	23	**22**	14
Other payables	**1**	2	**—**	—
Accrued expenses	**172**	112	**132**	81
Trade and other payables	**607**	653	**562**	395

Trade and other payables principally consist of amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 to 45 day terms. The Directors consider that the carrying value of trade and other payables approximates to their fair value. All trade and other payables are denominated in Sterling. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

There are no material contingent liabilities or commitments and no guarantees have been entered in to.

14. ISSUED CAPITAL AND RESERVES

Ordinary shares

		Group and Company		
Ordinary shares of 0.25p each	**Number**	**Share Capital £'000**	**Share Premium £'000**	**Total £'000**
At 31 March 2020	**132,646,263**	**331**	**17,831**	**18,162**
Issued on exercise of options	4,751,178	12	101	113
Issued under placing agreement	137,490,676	344	10,655	10,999
Expenses of share issue under placing agreement	—	—	(717)	(717)
At 31 March 2021	**274,888,117**	**687**	**27,870**	**28,557**

On 6 July 2020 1,940,800 ordinary shares were issued in connection with the exercise of share options at an exercise price of 2.65375 pence per share payable in cash, 884,000 ordinary shares were issued in connection with the exercise of share options at an exercise price of 0.8875 pence per share payable in cash and 132,800 ordinary shares were issued in connection with the exercise of share options at an exercise price of 0.875 pence per share payable in cash.

On 7 July 2020 778,378 ordinary shares were issued in connection with the exercise of share options with nil exercise price.

On 24 July 2020 1,015,200 ordinary shares were issued in connection with the exercise of share options at an exercise price of 5.0 pence per share payable in cash.

On 3 March 2021 137,490,676 ordinary shares were issued at a price of £0.08 raising £11.0 million which after share issue expenses of £0.7 million gave net consideration of £10.3 million.

The ordinary shares rank pari passu in all respects in relation to dividends and repayment of capital and have equal voting rights with one vote per share. There are no restrictions on the transferability of the shares.

The Group and Company do not have an authorised share capital as provided by the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
continued

14. ISSUED CAPITAL AND RESERVES (continued)

Other reserves

The share premium reserve represents the difference between the net proceeds of equity issues and the nominal share capital of the shares issued.

The merger reserves at 31 March 2021 and 2020 arose from the acquisition of Evgen's sole subsidiary, Evgen Ltd, in 2014 which is accounted for using the merger method of accounting.

The share-based compensation reserve reflects the aggregate fair value of equity-settled share-based payment transactions.

Reserves classified as retained deficit represent accumulated losses. None of the reserves are distributable.

15. SHARE-BASED PAYMENTS

Certain Directors and employees of the Group hold options to subscribe for shares in the Group under share option schemes. The number of shares subject to options, the periods in which they were granted and the period in which they may be exercised are given below.

The Group operates one active share option scheme (31 March 2020: one), in addition share options have been granted under standalone unapproved share option agreements. Options are currently granted for £nil consideration and are exercisable at a price determined on the date of the grant.

At 31 March 2021 the Company had 6,402,754 (2020: 9,531,367) unissued ordinary shares of £0.0025 under the Company's share option schemes, details of which are as follows:

Grant date	Number	Option price (pence)	Date from which exercisable	Expiry date
25-Nov-11	136,000	0.0500	31-Aug-13	25-Nov-21
25-Nov-11	272,000	0.0500	31-Aug-13	25-Nov-21
01-May-12	272,000	0.0500	01-May-14	01-May-22
14-Aug-13	224,800	0.1062	14-Aug-15	14-Aug-23
21-Oct-15	291,891	—	21-Oct-15	21-Oct-25
28-Jan-19	351,957	—	28-Jan-22	28-Jan-29
18-Jul-19	153,262	—	18-Jul-22	18-Jul-29
18-Jul-19	202,608	—	18-Jul-22	18-Jul-29
06-Oct-20	4,498,236	—	06-Oct-22	06-Oct-30
	6,402,754			

Movements on share options during the year were as follows:

Exercise price	At 1 April 2020	Granted	Exercised	Lapsed/ cancelled	At 31 March 2021	Date from which exercisable	Expiry date
0.0089	456,000	—	—	(456,000)	—	21-Oct-15	18-Aug-20
0.0088	86,400	—	—	(86,400)	—	08-Jul-14	11-Jan-21
0.0500	1,423,200	—	(1,015,200)	—	408,000	31-Aug-13	25-Nov-21
0.0500	272,000	—	—	—	272,000	01-May-14	01-May-22
0.1062	224,800	—	—	—	224,800	14-Aug-15	14-Aug-23
0.0265	1,940,800	—	(1,940,800)	—	—	21-Oct-15	23-Dec-23
0.0089	884,000	—	(884,000)	—	—	21-Oct-15	26-Feb-25
0.0088	132,800	—	(132,800)	—	—	21-Oct-15	26-Feb-25
Nil	1,070,269	—	(778,378)	—	291,891	21-Oct-15	21-Oct-25
Nil	741,191	—	—	(741,191)	—	21-Dec-20	20-Dec-27
Nil	368,304	—	—	(368,304)	—	06-Jul-21	06-Jul-28
Nil	826,743	—	—	(474,786)	351,957	28-Jan-22	28-Jan-29
Nil	1,104,861	—	—	(748,991)	355,870	18-Jul-22	18-Jul-29
Nil	—	4,498,236	—	—	4,498,236	06-Oct-22	06-Oct-30
	9,531,368	**4,498,236**	**(4,751,178)**	**(2,875,672)**	**6,402,754**		

15. SHARE-BASED PAYMENTS (continued)

As at the year end, the reconciliation of share option scheme movements is as follows:

	As at 31 March 2021		As at 31 March 2020	
	Number	**Weighted average exercise price pence**	Number	Weighted average exercise price pence
Outstanding at start of the year	**9,531,368**	**1.8249**	9,075,599	1.9475
Granted	**4,498,236**	**—**	1,104,861	—
Exercised	**(4,751,178)**	**2.3420**	(321,600)	0.8750
Lapsed/cancelled	**(2,875,672)**	**—**	(327,492)	—
Outstanding at end of year	**6,402,754**	**0.9037**	9,531,368	1.8249
Exercisable at end of year	**1,196,691**	**4.8352**	6,490,269	2.6800

Options are only exercisable for cash. Options vest 3 years from grant subject to the achievement of shareholder return, and for more recent grants, corporate performance targets. Options which do not vest lapse.

The Group has accounted for the charge arising from the issue of share options as below:

The total credit recognised for the year ended 31 March 2021 is £111,664 (2020: charge of £168,000). The fair values of the options granted have been estimated using a Black Scholes model. Assumptions used were an option life of 5 years, a risk-free rate of 0.1 per cent, a volatility of 60 per cent. and no dividend yield. The expected volatility is assessed by reference to historic volatility and on the advice of the Company's brokers.

The weighted average remaining contractual life of share options outstanding at the end of the year was 7.96 years (2020: 5.08 years).

The weighted average fair value of options granted as of the grant date was £0.23 (2020: £0.33).

The weighted average share price used in the Black Scholes model was £0.25 (2020: £0.37).

Warrants

On 21 October 2015 the Company issued warrants over 1,457,418 ordinary shares with an exercise price of £0.37 and a warrant life of 5 years. These warrants lapsed during the year.

16. LEASE ARRANGEMENTS

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Minimum lease payments under leases recognised as an expense in the period	**18**	22

The total cash outflow for operating leases in the year ended 31 March 2021 was £16,650 (2020: £21,600).

As at the year end, the Group has future aggregate minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		**Company**	
	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	**Year ended 31 March 2021 £'000**	Year ended 31 March 2020 £'000
Within one year	**—**	2	**—**	2

Lease payments represent rentals payable by the Group for its serviced office space. As at year end all leases were one month rolling contracts. On 8th April 2021 the Group entered into new lease agreement for a fixed 12 months period with minimum lease payments under non-cancellable lease of £11k.

NOTES TO THE FINANCIAL STATEMENTS
continued

17. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments are cash flow and liquidity, credit risk and foreign currency risk. The Group's financial instruments comprise cash and various items such as trade receivables and trade payables, which arise directly from its operations.

Cash flow and liquidity risk

Management monitors the level of cash on a regular basis to ensure that the Group has sufficient funds to meet its commitments when due. The table below analyses the Group and Company's financial assets and liabilities by category:

	Group		**Company**	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
	Financial assets at amortised cost £'000	Financial assets at amortised cost £'000	**Financial assets at amortised cost £'000**	Financial assets at amortised cost £'000
Assets as per statement of financial position				
Other receivables	**16**	16	**—**	—
Amounts due from subsidiary undertakings	**—**	—	**10,359**	8,186
Short-term investments and cash on deposit	**6,000**	—	**6,000**	—
Cash and cash equivalents	**5,593**	4,131	**5,122**	4,001
	11,609	4,147	**21,481**	12,187

	Group		**Company**	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
	Financial liabilities at amortised cost £'000	Financial liabilities at amortised cost £'000	**Financial liabilities at amortised cost £'000**	Financial liabilities at amortised cost £'000
Liabilities as per statement of financial position				
Trade payables	**408**	516	**408**	300
Other creditors and accruals	**173**	112	**132**	81
	581	628	**540**	381

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's financial assets are cash and cash equivalents and trade and other receivables. The carrying value of these assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's policy is to minimise the risks associated with cash and cash equivalents by placing these deposits with institutions with a recognised high credit rating.

The Group potentially has credit risk on its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. An allowance for impairment is made where there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Currently the Group has limited sales and therefore trade receivables.

The Group gives careful consideration to which organisations it uses for banking in order to minimise credit risk. The Group holds cash and deposits with two large banks in the UK, both institutions with an A1 credit rating (long term, as assessed by Moody's). The amounts of cash and deposits held with these banks at the reporting date can be seen in the financial assets table above. Split of cash and cash equivalents between UK Sterling and other currencies is provided in to Financial Currency Risk note below.

There was no significant concentration of credit risk at the reporting date.

The carrying amount of financial assets recorded in the Consolidated Statement of Financial Position, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Details of the allowance for impairment losses on financial assets are set out in note 11.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Directors consider the above measures to be sufficient to control the credit risk exposure. No collateral is held by the Group as security in relation to its financial assets.

17. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk
As the Group has no significant borrowings, the risk is limited to the reduction of interest received on cash surpluses held at bank. The Group's deposit accounts all receive a fixed rate of interest and therefore the exposure to interest rate movements is immaterial.

Maturity profile
As all financial assets and financial liabilities are expected to mature within the next twelve months an aged analysis of these has not been presented.

Foreign currency risk
The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's use of suppliers operating overseas, primarily invoicing in Euro and US dollars. The Group's exposure to foreign currency changes for all other currencies is not material and therefore no sensitivity analysis is disclosed.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the year-end are shown below:

Group	GBP £'000	EUR £'000	USD £'000	2021 Total £'000
Assets and liabilities as per statement of financial position				
Short-term investments and cash on deposit	6,000	—	—	6,000
Cash and cash equivalents	5,542	—	51	5,593
Trade receivables	—	—	—	—
Trade payables	(400)	(8)	—	(408)
	11,142	**(8)**	**51**	**11,185**

Group	GBP £'000	EUR £'000	USD £'000	2020 Total £'000
Assets and liabilities as per statement of financial position				
Cash and cash equivalents	4,066	1	64	4,131
Trade receivables	—	—	—	—
Trade payables	(480)	—	(36)	(516)
	3,586	**1**	**28**	**3,615**

Given the immaterial net asset balances in foreign currency and limited procurement from overseas suppliers, the exposure to a change in exchange rates is small and therefore no sensitivity analysis is disclosed.

At present the Group does not make use of financial instruments to minimise any foreign exchange gains or losses so any fluctuations in foreign exchange movements may have an adverse impact on the results from operating activities.

Fair value of financial assets and liabilities
There is no material difference between the fair value and the carrying values of the financial instruments because of the short maturity period of these financial instruments and their intrinsic size and risk.

Capital risk management
The Group considers capital to be shareholders' equity as shown in the consolidated statement of financial position, as the Group is primarily funded by equity finance. The Group is not yet in a position to pay a dividend.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements. Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

NOTES TO THE FINANCIAL STATEMENTS
continued

18. RELATED PARTY TRANSACTIONS

Group
Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management compensation is disclosed in Note 5 of the consolidated financial statements. Directors' emoluments are disclosed in the Remuneration Committee Report.

During the year ended 31 March 2021, the Group purchased consultancy services totalling £19,225 (year ended 31 March 2020: £15,069) from FD Consult Ltd, a company controlled by Richard Moulson. The amount owed to FD Consult Ltd at 31 March 2021 was £nil (31 March 2020: £nil).

Company
The Company is responsible for financing and setting Group strategy. The Company's subsidiary carried out the Group's development strategy and managed the Group's intellectual property. The Company provides interest free and unsecured funding to its subsidiary with no fixed date of repayment. Details of intercompany balances can be found in Note 11.

Ultimate controlling party
The Directors consider there is no ultimate controlling party.

ADDRESSES AND ADVISERS

EVGEN PHARMA PLC
Registered office:
Liverpool Science Park Innovation Centre 2
146 Brownlow Hill
Liverpool
Merseyside
L3 5RF

Website: www.evgen.com

Registered number: 09246681
Domiciled in the United Kingdom
Registered in England and Wales

STATUTORY AUDITORS
RSM UK Audit LLP
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG

NOMINATED ADVISER AND BROKER
finnCap Ltd
One Bartholomew Close
London
England
EC1A 7BL

REGISTRAR
SLC Registrars (a division of EQ)
P.O. Box 5222
Lancing
BN99 9FG

LEGAL ADVISERS
Pinsent Masons LLP
30 Crown Place
London
EC2A 4ES

FINANCIAL PUBLIC RELATIONS
Walbrook PR Limited
4 Lombard St
London
EC3V 9HD

Designed and produced by corporate**prm**, Edinburgh and London. www.corporateprm.co.uk

EVGEN PHARMA PLC
Registered office:
Liverpool Science Park Innovation Centre 2
146 Brownlow Hill
Liverpool
Merseyside
L3 5RF

Website: www.evgen.com

Registered number: 09246681
Domiciled in the United Kingdom
Registered in England and Wales