30 September 2021

Hemogenyx Pharmaceuticals plc

("Hemogenyx Pharmaceuticals" or the "Company")

Half-year Report

Interim Results for the period ended 30 June 2021

Hemogenyx Pharmaceuticals plc (LSE: HEMO), the Standard Listed biopharmaceutical group developing therapies designed to transform blood disease treatment, announces unaudited interim results for the six-month period ended 30 June 2021.

All financial amounts are stated in GBP British pounds unless otherwise indicated.

Key Highlights

- Completed development phase of CDX antibody with global pharmaceutical company ("GlobalCo") – in negotiations to license GlobalCo's part in the intellectual property for future work on CDX projects
- Entered into agreement with University of Pennsylvania ("Penn") for development of HEMO-CAR-T towards and into clinical trials
- Two patents approved by US Patents & Trademarks Office relating to bi-specific and monoclonal antibodies (the latter following the period end)
- *In vitro* laboratory progress on CBR/COVID-19 project to programme immune cells to destroy viral pathogens (such as SARS-CoV-2) and malignant cancer-causing cells
- £12 million of development capital raised initially through issue of convertible debt – this was subsequently replaced by equity capital

Fuller details of these developments are contained in the Interim Management Report below.

Commenting on the outlook for Hemogenyx Pharmaceuticals, Sir Marc Feldmann, Chairman, said:

"The Board is very pleased with progress on the scientific front during 2021. While progress towards the next stage with GlobalCo on the CDX antibody is continuing, the Company has made very significant steps in relation to HEMO-CAR-T, and its efforts to combat viral pathogens such as COVID-19 are encouraging. As the focus in relation to COVID-19 moves towards improved treatments alongside vaccinations, the team's work could be of great importance. In all, the Company remains on track to attain the next substantial stage in its development. We will provide further updates to shareholders as we advance our product candidates toward clinical trials."

Interim Management Report

We are pleased to provide an update on the Company's activities over the six-month period ended 30 June 2021.

The focus of our development in the period under review was on continuing development of CDX antibodies for the treatment of Acute Myeloid Leukaemia ("AML") and on conditioning for bone marrow transplants, and on HEMO-CAR-T which is being developed to provide an alternative method of treating these conditions. In addition, the Company has continued its work on its CBR/COVID-19 project.

CDX Antibodies

In January 2021, the Company announced that the phase of its agreement with GlobalCo relating to the development of a viable CDX antibody ("CDX") had been completed. As a result of the successful collaboration with GlobalCo, the Company chose a clone of its CDX antibody that is ready for investigational new drug ("IND") application-enabling studies, a significant step toward clinical trials. In April, GlobalCo notified the Company that it would not exercise its option to license the Company's intellectual property ("IP") in relation to CDX but that it wished to retain its interest in the project relating to its contribution to the IP. The Company has since given notice of its intention to exercise its own option to license the IP created by GlobalCo on this joint project. Detailed negotiations continue regarding the exact terms of the licence and GlobalCo's continued involvement in the progression of CDX toward clinical trials. Meanwhile, the Company has continued to work with GlobalCo in relation to further development of the antibody beyond the formal conclusion of the initial development work.

HEMO-CAR-T

Turning to HEMO-CAR-T, it is to be noted that the Company remains solely in control of this development and owns the associated IP in its entirety. In January 2021, the Company entered into a Master Translational Research Services Agreement ("Agreement") with the University of Pennsylvania ("Penn") following on from the existing Sponsored Research Agreement announced in August 2020. The goal of these agreements is to advance HEMO-CAR-T as developed by the Company toward and through clinical trials. The intended outcome of the complex of activities under the Agreement is clinical proof of concept for HEMO-CAR-T for the treatment of AML.

During the period under review, the Company initiated the manufacturing stage of the process and has appointed Quality Systems LLC to be responsible for supporting the Company's efforts in relation to chemistry, manufacturing, and controls ("CMC"), and in the implementation of documentary and regulatory issues and submissions, manufacturing supply agreements and other tasks. Post-period, the Company has engaged a contract development and manufacturing organisation that will manufacture DNA plasmids and viral vectors for the production of HEMO-CAR-T for clinical trials.

All this represents major progress for the HEMO-CAR-T project and we look forward to further progress and announcements in the coming months.

CBR

Shareholders will be aware that we began work some time ago on a project relating to the treatment of viral diseases. We refer to this project as CBR and, as it has developed, it has proved

prospectively highly valuable. The essence of the development is the programming of immune cells using a novel type of modifiable synthetic receptor to destroy viral pathogens including SARS-CoV-2, which causes COVID-19. Not only can this type of synthetic receptor potentially combat viral pathogens, it can also potentially be modified to programme immune cells to destroy malignant cells causing cancer. The Company is now engaged in preclinical validation of two CBR-based product candidates: one for the treatment of COVID-19, and the other for the treatment of an undisclosed type of cancer. We have been able to partially validate this cutting-edge technology in a series of *in vitro* experiments. Additional tests are being conducted to achieve a more complete *in vitro* validation of the technology. We have made no announcement on these developments as to date they are gradual rather than attaining specific milestone outcomes. However, we expect to provide further information on a regular basis in the future.

Autoimmune Diseases

As reported in June 2020, the Company entered into an agreement with Eli Lilly and Company ("Lilly") to perform research and development activities aimed at the discovery and validation of novel materials to be used for the treatment of Lupus. In 2020 and the first half of 2021 work under the agreement continued against a backdrop of COVID-19 associated restrictions and supply shortages, and in recent months this work has significantly accelerated. Lilly and the Company are now progressing with the initial selection of potential drug candidates.

Patents

In June 2021, the Company announced that a patent application entitled "METHOD OF ELIMINATING HEMATOPOIETIC STEM CELLS/HEMATOPOIETIC PROGENITORS (HSC/HP) IN A PATIENT USING BI-SPECIFIC ANTIBODIES" had been approved and issued by the United States Patent and Trademark Office. This patent covers a method of use of CDX for conditioning bone marrow/hematopoietic stem cell ("BM/HSC") transplantation. It also covers composition of matter (a subset of sequences) of monoclonal antibodies against target proteins existing on the surface of hematopoietic stem cells/hematopoietic progenitors, and/or a number of leukemias such as acute myeloid leukemia ("AML") as well as a protein that exists on the surface of immune cells (T cells). The patent protects the Company's IP in the crucial area of conditioning a patient for BM/HSC transplantation using the bi-specific antibody, a highly promising alternative to the traditional conditioning protocol involving chemotherapy and/or radiotherapy, which is highly toxic. It therefore protects the heart of the Company's prime product candidate that we have been developing since we came to the Market.

IP protection of the CDX antibody was further solidified when a patent application entitled "MONOCLONAL ANTIBODIES TO HUMAN FLT3/FLK2 RECEPTOR PROTEIN" was approved and issued by the United States Patent and Trademark Office on 31 August 2021, after the end of the period here under review. This represents a further important step in the development of the Company's suite of IP and protection of its product candidates – in this case relevant both to the CDX antibody and HEMO-CAR-T. This new patent covers composition of matter (sequences) of monoclonal antibodies to the human FLT3/FLK2 receptor protein that is found on the surface of AML cells, hematopoietic (blood forming) stem cells and progenitors (HSC/HP), and dendritic cells. These monoclonal antibodies have allowed the Company to develop both a bi-specific CDX antibody and HEMO-CAR-T as blood cancer treatments and as a bone marrow transplant (BM/HSC) conditioning regimen. The patent now granted is particularly relevant to the chimeric antigen receptor (CAR) used in the HEMO-CAR-T product candidate for the treatment of AML.

The unique properties of the patented monoclonal antibodies were the primary driver in bringing GlobalCo to enter into an agreement to develop CDX. The Company has made further patent

applications in relation both to HEMO-CAR-T and to the CDX bi-specific antibodies, the latter entailing a joint application with GlobalCo.

Fundraising

During the period, the Company had the benefit of the £12 million of funds raised through the loan note facility arranged with Mint Capital Partners. This facility was terminated on 26 May 2021 and substantially replaced by new equity capital. While this arrangement and its termination have had a seriously negative effect on the Company's share price, the facility and its equity replacement have placed much more material funding at the Company's disposal and have enabled it to develop significantly faster than was possible with its previous restricted capital resources. In particular, it has enabled the Company to embark on the establishment and development of its cutting-edge CBR technology and to make progress with its HEMO-CAR-T project.

Establishment and Personnel

The Company has made significant progress in building its team, with additional scientists engaged within the scope of the Company's resources. To date, the Company's resources have restricted its ability to bolster the existing scientific team, but it has now begun to augment it while continuing its lean and cost-effective approach. The Company is currently revising its equity incentive scheme for its key scientific staff in part to replace existing incentives and make them more efficient. We have also appointed Dr Alan Walts as a business adviser and he is bringing his extensive business and pharmaceutical industry experience to bear in relation to the Company's main projects; Dr Walts has over 25 years industry experience *inter alia* with Advent Life Sciences and Genzyme. The Company is currently taking on larger and more suitable laboratory premises and will transfer to them in the near future.

Financial Results

During the six months ended 30 June 2021, the Company recorded a loss of £3,632,338 (2020: £835,189 loss). The increased loss reflects a continued increase in operational development and research, and in particular a diversification of activities made possible by the fundraising completed in February 2021. The Company had cash and cash equivalents totalling £10,536,668 as at 30 June 2021.

The Company recorded consultancy income of £98,995 during the period ended 30 June 2021 (2020: £82,880) which relates to funds received from a third party under a research collaboration associated with humanised mice. An arrangement previously entered into relating to the marketing of our humanised mice has not proved fruitful and a further announcement will be made on this in due course.

The Future

We have concentrated over the period under review on projects where we consider, in pharmaceutical terms, relatively rapid progress can be made. We believe we have achieved such advances in recent months, in particular with developments in the HEMO-CAR-T project and the very significant partnership with Penn that promises to accelerate us towards clinical trials. We also anticipate finalisation of the CDX antibody agreement and completion of commercial discussions with GlobalCo and for the continued development of CBR. The Company has been able to make strong progress across its main projects thanks to the exceptional productivity of its team of scientists. The Board believes the Company is well advanced on the planned

developments described in the 2020 Annual Report and the goals set for the use of funds raised this year. We look forward to a continued period of scientific and commercial advances.

Responsibility Statement

We confirm that to the best of our knowledge:

- the Half Year Report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'; and
- gives a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Half Year Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurredduring the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the Half Year Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions; there were no such transactions in the six months ended 30 June 2021.

The Half Year Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Dr Vladislav Sandler
CEO

30 September 2021

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") (EU) No. 596/2014, as incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Enquiries:

Hemogenyx Pharmaceuticals plc	https://hemogenyx.com
Dr Vladislav Sandler, Chief Executive Officer & Co-Founder	headquarters@hemogenyx.com
Peter Redmond, Director	peter.redmond@hemogenyx.com
SP Angel Corporate Finance LLP	Tel: +44 (0)20 3470 0470
Matthew Johnson, Vadim Alexandre, Adam Cowl	
Peterhouse Capital Limited	Tel: +44 (0)20 7469 0930
Lucy Williams, Duncan Vasey, Charles Goodfellow	

Condensed Consolidated Interim Statement of Comprehensive Loss for the six months ended 30 June 2021

Continuing Operations	Note	**6 months to 30 June 2021 Unaudited** £	6 months to 30 June 2020 Unaudited £
Revenue		**-**	-
Administrative Expenses		**(1,099,320)**	(861,034)
Depreciation		**(62,177)**	(48,566)
Operating Loss		**(1,161,497)**	(909,600)
Other Income	5	**170,244**	90,273
Finance Income		**9,677**	1,895
Finance Costs	9	**(2,650,762)**	(17,757)
Loss before Taxation		**(3,632,338)**	(835,189)
Loss attributable to:			
- Equity owners		**(3,631,142)**	(832,314)
- Non-controlling interests		**(1,196)**	(2,875)
Loss for the period		**(3,632,338)**	(835,189)
Other comprehensive income			
Items that may be reclassified subsequentlyto profit or loss:			
Translation of foreign operations		**(300,329)**	(34,412)
Total comprehensive income for the period		**(3,932,667)**	(869,601)
Total comprehensive income attributable to:			
- Equity owners		**(3,931,471)**	(866,726)
- Non-controlling interests		**(1,196)**	(2,875)
Basic and diluted earnings (per share)	6	**(0.007)**	(0.002)

Condensed Consolidated Interim Statement of Financial Position as at 30 June 2021

	Note	30 June 2021 Unaudited	Year Ended 31 December 2020 Audited
Assets		£	£
Non-current assets			
Property, plant and equipment	7	**179,648**	222,858
Right of use asset		**27,130**	45,885
Deferred financing costs		**-**	223,615
Intangible asset		**251,243**	254,955
Total non-current assets		**458,021**	747,313
Current assets			
Trade and other receivables		**84,740**	104,972
Cash and cash equivalents		**10,563,668**	1,812,299
Total current assets		**10,648,408**	1,917,271
Total assets		**11,106,429**	2,664,584
Equity and Liabilities			
Equity attributable to shareholders			
Paid-in Capital			
Called up share capital	8	**9,797,493**	4,336,363
Share premium		**16,808,827**	9,990,965
Other reserves		**847,330**	764,815
Reverse asset acquisition reserve		**(6,157,894)**	(6,157,894)
Foreign currency translation reserve		**(308,225)**	(7,896)
Retained Earnings		**(11,667,854)**	(8,035,514)
Equity attributable to owners of theCompany		**9,319,677**	890,839
Non-controlling interests		**(16,354)**	(15,158)
Total Equity		**9,303,323**	875,681
Liabilities			
Non-current liabilities			
Lease liabilities		**-**	10,028
Total non-current liabilities		**-**	10,028

Current liabilities			
Trade and other payables		**269,442**	160,771
Lease liabilities		**29,331**	38,726
Borrowings	9	**1,504,333**	1,579,378
Total Current Liabilities		**1,803,106**	1,778,875
Total Liabilities		**1,803,106**	1,788,903
Total equity and liabilities		**11,106,429**	2,664,584

The 2020 comparatives are the audited consolidated group accounts for the year ended 31 December 2020 as published on 30 April 2021.

Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2021 and 30 June 2020

	Called up Share Capital	Share Premium	Other reserves	Reverse acquisition reserve	Foreign currency translation reserve	Retained losses	Non-Controlling interests	Total Equity
	£	£	£	£	£	£	£	£
As at 1 January 2020	3,612,429	7,699,789	399,229	(6,157,894)	53,223	(5,953,294)	(2,517)	(349,035)
Loss in period	-	-	-	-		(832,314)	(2,875)	(835,189)
Other comprehensive income	-	-	-	-	(34,412)	-	-	(34,412)
Total comprehensive income for the period	-	-	-	-	(34,412)	(832,314)	(2,875)	(869,601)
Issue of share capital	723,934	2,459,336	-	-	-	-	88	3,183,358
Issue of options (Note 8)	-	-	20,747	-	-	-	-	20,747
Share Issue Costs	-	(33,160)	-	-	-	-	-	(33,160)
As at 30 June 2020 (unaudited)	4,336,363	10,125,965	419,976	(6,157,894)	18,811	(6,785,608)	(5,304)	1,952,309
As at 1 January 2021	**4,336,363**	**9,990,965**	**764,815**	**(6,157,894)**	**(7,896)**	**(8,035,514)**	**(15,158)**	**875,681**
Loss in period	**-**	**-**	**-**	**-**	**-**	**(3,631,142)**	**(1,196)**	**(3,632,338)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(300,329)**	**-**	**-**	**(300,329)**
Conversion of debt to equity (Note 9)	**5,373,710**	**5,026,290**	**-**	**-**	**-**	**-**	**-**	**10,400,000**
Prior year adj. to value of share-based payments	**-**	**180**	**(318)**	**-**	**-**	**(1,198)**	**-**	**(1,336)**
Charge recognised upon conversion of debt (Note 9)	**-**	**1,212,475**	**-**	**-**	**-**	**-**	**-**	**1,212,475**

Issue of options (Note 8)	**-**	**-**	**82,833**	**-**	**-**	**-**	**-**	**82,833**
Shares issued to arrangers of debt facility (Note 9)	**87,420**	**578,917**	**-**	**-**	**-**	**-**	**-**	**666,337**
As at 30 June 2021 (unaudited)	**9,797,493**	**16,808,827**	**847,330**	**(6,157,894)**	**(308,225)**	**(11,667,854)**	**(16,354)**	**9,303,323**

Condensed Consolidated Interim Statement of Cash Flows for the six months ended 30 June 2021

Group	Note	6 months to 30 June 2021 Unaudited	6 months to 30 June 2020 Unaudited
		£	£
Cash flows generated from operating activities			
Loss for the period		**(3,632,338)**	(835,189)
Depreciation	7	**62,177**	48,567
Other non-cash items, including forgiveness of PPP loan		**(65,040)**	88
Foreign exchange gain		**(300,232)**	1,827
Interest income		**(9,677)**	(1,895)
Finance costs	9	**1,413,607**	17,757
Charge recognised upon conversion of debt		**1,212,475**	-
Share based payments	8	**82,833**	20,747
Increase (decrease) in trade and other payables		**111,822**	(55,281)
Increase in trade and other receivables		**19,711**	25,246
Net cash outflow used in operating activities		**(1,104,662)**	(778,133)
Cash flows generated from financing activities			
Proceeds from issuance of debt securities		**12,000,000**	3,183,270
Repayment of convertible debt		**(1,600,000)**	-
Payment of debt issuance costs		**(505,235)**	-
Share issue costs		**-**	(33,160)
Proceeds from borrowings		**-**	484,215
Payment of lease liabilities		**(19,641)**	(21,096)
Net cash flow generated from financing activities		**9,875,124**	3,613,229
Cash flows generated from investing activities			
Interest income		**9,677**	1,895
Purchase of property, plant & equipment		**(13,925)**	-
Net cash flow (used in) generated from investing activities		**(4,248)**	1,895
Net increase in cash and cash equivalents		**8,766,214**	2,836,991
Effect of exchange rates on cash		**(14,845)**	24,503
Cash and cash equivalents at the beginning of the period		**1,812,299**	498,679
Cash and cash equivalents at the end of the period		**10,563,668**	3,360,173

Major non-cash transactions		
Conversion of debt into common shares.	10,400,000	-
Shares issued as Arrangement Fees	666,337	-

Notes to the Condensed Consolidated Interim Financial Statements

1. General Information

The Group's business is preclinical-stage biotechnology focused on the discovery, development and commercialisation of innovative treatments relating to bone marrow/hematopoietic (blood-forming) stem cell (BM/HSC) transplants for blood diseases, including leukaemia, lymphoma and bone marrow failure, and viral infections. The products under development are designed to address a range of problems that occur with current standard of care treatments.

The Company's registered office is located at 5 Fleet Place, London EC4M 7RD, and the Company's shares are listed on the main market of the London Stock Exchange.

2. Interim financial information

The condensed consolidated interim financial statements are for the six month period ended 30 June 2021. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020, which were prepared under International Financial Reporting Standards (IFRS).

The condensed consolidated interim financial statements have not been audited nor have they been reviewed by the Group's auditors under ISRE 2410 of the Auditing Practices Board. These condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December2020 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of theCompanies Act 2006.

3. Basis of preparation and changes to the Group's Accounting Policies

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

Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies adopted in this report are consistent with thoseof the annual financial statements for the year to 31 December 2020 as described in those financial statements. A number of new or amended standards became applicable for the current reporting period, but they did not have any impact on the group's accounting policies and did not require retrospective adjustments.

Going Concern

The preparation of interim financial statements requires an assessment on the validity of the going concern assumption.

The Directors have given particular thought to the impact on the Group that may result from COVID-19 and any other potential pandemics that may arise. The Group's New York operations were classed as an essential business and were not subject to closure during lockdown periods, and so work continued with prudent hygiene and distancing measures in place including limited work in the laboratory on rota and work from home. The Group allowed for extended delivery times for some supplies, and for slower progress with collaboration partners. The Board and UK management continued to operate remotely, as usual. At the present time work has returned to normal, and the Group believes that there should be no material disruption to its work in the event of further pandemic-related restrictions. The Board continues to monitor these risks and the Group's business continuity plans.

The Company raised £12,000,000 before expenses through convertible debt placings during the period, all of which was converted to equity except for £1,600,000 which was repaid. The Company had cash and cash equivalents totalling £10,563,668 as at 30 June 2021.

The Directors, having made due and careful enquiry, are of the opinion that the Company has or will have access to sufficient funding in order to execute its operations over the next 12 months. The Directors therefore have made an informed judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Notwithstanding the Company's cash balance, should the Company elect to raise additional capital within the next year, it cannot be certain that such additional funding will be available on acceptable terms, or at all. To the extent that the Company raises additional funds by issuing equity securities, the Company's stockholders may experience dilution. Any debt financing, if available, may involve restrictive covenants. If the Company is unable to raise additional capital when required or on acceptable terms, it may have to (i) significantly delay, scale back or discontinue the development and/or commercialisation of one or more product candidates; (ii) seek collaborators for product candidates at an earlier stage than otherwise would be desirable and on terms that are less favourable than might otherwise be available; or (iii) relinquish or otherwise dispose of rights to technologies, product candidates or products that it would otherwise seek to develop or commercialise on unfavourable terms.

Segmental Reporting

The Group's operations are located in New York, USA, with the head office located in the United Kingdom. The main assets of the Group, cash and cash equivalents, are held in the United States to support the operating business.

The Group currently has one reportable segment: a biotechnology business focused on the

discovery, development and commercialisation of innovative treatments relating to bone marrow/hematopoietic (blood-forming) stem cell (BM/HSC) transplants for blood disease and treatment of blood diseases suchas AML and autoimmune diseases, and viral infections.

Accounting Policies

The accounting policies, presentation and methods of computation applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial information in its 2020 Annual Report and Accounts. The new standards, described below, will be adopted by the Group when effective, and have had no impact on these half yearly results.

New and amended accounting standards and interpretations

On 12 February 2021 the IASB issued an amendment to IAS 1 concerning accounting policy disclosures, and an amendment to IAS 8 concerning the definition of accounting estimates. On 7 May 2021 the IASB issued an amendment to IAS 12 concerning deferred tax related to assets and liabilities arising from a single transaction. The Company does not expect any material impact from the application of these two amendments, which are effective for annual reporting periods beginning on or after 1 January 2023. The Company will not early adopt these amendments.

On 23 January 2020 the IASB issued 'Classification of Liabilities as Current or Non-current', an amendment to IAS 1. On 14 May 2020 the IASB issued 'Reference to the Conceptual Framework', an amendment to IFRS 3; 'Proceeds before Intended Use', an amendment to IAS 16; 'Onerous Contracts – Cost of Fulfilling a Contract', an amendment to IAS 37; and 'Annual Improvements to IFRS standards 2018-2020'. The Company does not expect a material impact from those amendments, which are effective for annual reporting periods beginning on or after 1 January 2022. The Company will not early adopt these amendments.

4. Significant accounting judgments, estimates and assumptions

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertaintywere the same as those applied to the consolidated financial statements for the year ended 31 December 2020.

5. Other income

Other income during the period ended 30 June 2021 consists of £170,244 (H1 2020: £82,880) comprising £71,249 arising from the forgiveness of a US governmental loan programme (the Payroll Protection Program) in 2021; and £98,995 and £90,273 received from a third party under a research collaboration programme relating to humanised mice in 2021 and 2020, respectively.

6. Earnings per share

Basic and fully diluted earnings per share are calculated by dividing the loss for thesix months from continuing operations of £3,631,142 (six months to 30 June 2020: £832,314) attributable to equity owners of the Group by the weighted average number of ordinary shares in issue during those periods of 546,669,219 and 396,250,052 respectively.

Diluted loss per Ordinary Share equals basic loss per Ordinary Share as, due to the losses incurred in the six months to 30 June 2021 and six months to 30 June 2020, there is no dilutive effect from the subsisting share options.

7. Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired assets with a cost of £13,925 (six months ended 30 June 2020: £nil).

8. Called up Share Capital

Group	Ordinary sharesNumber	£
As at 1 January 2020	361,242,853	3,612,429
Issue of shares – placement 30 Jan 2020	36,011,116	360,111
Issue of shares for exercise of warrants 18 May 2020	668,000	6,680
Issue of shares – placement 4 Jun 2020	35,714,286	357,143
As at 30 June 2020	433,636,255	4,336,363
As at 1 January 2021	433,636,255	4,336,363
Conversion of debt to issue of shares –25 Feb 2021	13,131,313	131,313
Conversion of debt to issue of shares –26 Mar 2021	14,285,714	142,857
Conversion of debt to issue of shares –16 Apr 2021	24,547,803	245,478
Conversion of debt to issue of shares –26 Apr 2021	29,850,746	298,508
Conversion of debt to issue of shares –5 May 2021	22,222,222	222,222
Conversion of debt to issue of shares –18 May 2021	433,333,333	4,333,333
Shares issued as arrangement fees for debt issuance	8,741,935	87,419
As at 30 June 2021	**979,749,321**	**9,797,493**

9. Borrowings

Mint Transactions

In November 2020, Mint Capital Limited ('Mint') and the Company entered into a Financing Facility agreement ('Financing Facility') whereby Mint conditionally agreed to subscribe for up to £60 million in aggregate principal amount of Convertible Loan Notes pursuant to an agreement entered into with the Company (the '**Subscription Agreement**'). The shareholders of the Company approved the facility in January 2021 and a prospectus was published on 29 January 2021. The key

terms of the Convertible Loan Notes were set out in the announcement relating to the Convertible Loan Notes which was released on 18 November 2020.

Arrangement fee

The Company agreed to pay a fee of 5% of the aggregate principal value of the Convertible Loan Notes issued to the arranger for the Facility (the "**Arranger**"). The company issued 7,741,935 shares in February 2021 as an arrangement fee to the arranger of the Financing Facility.

Draw Down

The Company received £12,000,000 from the first drawn down of the Financing Facility agreement in February 2021. The price of the conversion of the convertible loan notes issued under the Financing Facility agreement into common shares of the Company, as defined by the Financing Facility agreement, was to be the lesser of (i) 8.4375p and (ii) 90% of the lowest closing bid price as reported on Bloomberg from the three closing bid prices immediately preceding a conversion.

The Company received a conversion notice from Mint in respect of £650,000 in principal amount of Convertible Loan Notes and issued 13,131,313 shares to Mint in February 2021 which were admitted to trading on the London Stock Exchange's main market in March 2021. Further conversion notices were received from Mint in respect of £900,000 and £950,000 in principal amount of Convertible Loan Notes. The Company issued a further 14,285,714 shares to Mint in March 2021, and 24,547,803 shares in April 2021; both of these allotments of shares were admitted to trading on the London Stock Exchange's main market in April 2021. Further conversion notices were received from Mint in respect of £900,000 and £500,000 in principal amount of Convertible Loan Notes. The Company issued a further 29,850,746 shares to Mint in April 2021, and 22,222,222 shares in May 2021; both of these allotments of shares were admitted to trading on the London Stock Exchange's main market in May 2021.

In May 2021, the Company issued 1,000,000 shares to an Arranger for introducing an investor to purchase the remaining position of Mint. The Company received a conversion notice from the new investor in respect of £6,500,000 in principal amount of Convertible Loan Notes and issued 433,333,333 shares to such investor in May 2021. The Company repaid the remaining £1,600,000 under the facility and the facility was terminated.

During the period from 1 January 2021 through to 30 June 2021 the Company recognised £1,413,607 of financing related costs related to the issuance of the debt, including the value of the shares issued to the Arrangers. During the period from 1 January 2021 through to 30 June 2021 the Company recognised £1,212,475 of financing related costs representing the fair value of shares issued in excess of the outstanding principle at the date of the conversion.

Convertible Notes

During 2018 Orgenesis Inc. entered in to two debt facility agreements with the Group, one each with Hemogenyx Pharmaceuticals LLC and Immugenyx LLC:

1) On 7 November 2018 the Group entered into a loan agreement with Orgenesis Inc., an organisation with which the Group has an existing collaboration agreement. The loan amount was for not less than US$1,000,000. As at reporting date drawdowns totalling

US$1,000,000 had been made with Hemogenyx Pharmaceuticals LLC receiving the funds. The loan carries an interest rate of 2% and has a term of three years. Orgenesis has the option to convert both principal and accrued interest into equity in Hemogenyx-Cell at any time prior to maturity. Hemogenyx-Cell SPRL ("Hemo-Cell") is a wholly owned Belgian entity and was incorporated in April 2019 at which point this loan facility was treated as a borrowing in accordance with the provisions of IAS39.

2) On 7 November 2018 the Group entered into a loan agreement, through its wholly owned subsidiary Immugenyx LLC, with Orgenesis Inc., an organisation with which the Group has an existing collaboration agreement. The loan amount was for not less than US$1,000,000. As at reporting date drawdowns totalling US$1,000,000 had been made. The loan carries an interest rate of 2% and has a term of three years. Orgenesis has the option to convert both principal and accrued interest into equity in Immugenyx LLC at any time prior to maturity. This loan has been treated in accordance with the provisions of IAS39.

PPP Loan

Included in borrowings at 30 June 2020 is an amount of £79,871 (US$98,947) received during the period under the United States Government's Paycheck Protection Program (PPP Loan) in response to the COVID-19 pandemic. The PPP Loan has been converted into a grant at the election of the Company as 60% of the amount was applied to payroll expenditure and there was no reduction in employee headcount, and it was therefore included in other income.

10. Share-based payments

Options

During the six months to 30 June 2021 no options were issued to directors or employees and 1,068,128 options were cancelled.

A schedule of options granted as at 30 June 2021 is shown below:

	Number of options
Employees, including directors	**30,250,908**
Members of the Scientific Advisory Board	**11,146,751**
Total	**41,397,659**

For the six months ended 30 June 2021, the Company recognised share-based payment expense in the statement of profit or loss of £82,833 (30 June 2020: £20,747).

11. Events after the reporting period

Appointment of Business Advisor and Board Observer

In July 2021 the Company appointed Dr Alan E. Walts to the roles of Business Advisor and Board Observer. Dr Walts is a US-based Venture Partner with Advent Life Sciences, and previously accumulated over 25 years of industry experience at Genzyme in business development, business strategy, research and development, general management, and venture capital. Prior to leaving Genzyme in 2013, Dr Walts most recently managed Genzyme's corporate venture fund, Genzyme Ventures (now Sanofi Ventures). Following Genzyme's landmark sale to Sanofi, he served as a business advisor to founding Chairman and CEO of Genzyme Henri Termeer from 2013-2017, and worked closely with Henri on founding and investing in early-stage companies. Dr Walts received a Ph.D. in chemistry from MIT in 1985, carried out post-doctoral research in biochemistry at MIT with Professor Christopher Walsh, and completed the executive Program for Management Development at Harvard Business School. The Company entered into a Consulting Agreement with Dr Walts for a 12 month period of service which includes cash compensation and approximately 3,100,000 options.

Grant of Patent on 31 August 2021

In September 2021 the Company announced that a patent application entitled MONOCLONAL ANTIBODIES TO HUMAN FLT3/FLK2 RECEPTOR PROTEIN had been approved and issued by the United States Patent and Trademark Office on 31 August 2021 as Patent Number US 11,104,738. This patent covers composition of matter (sequences) of monoclonal antibodies to the human FLT3/FLK2 receptor protein that is found on the surface of acute myeloid leukemia (AML) cells, hematopoietic (blood forming) stem cells and progenitors (HSC/HP), and dendritic cells. The monoclonal antibodies discovered and validated by Hemogenyx Pharmaceuticals have allowed the Company to develop both a bi-specific CDX antibody and HEMO-CAR-T as treatments for AML as well as potential treatments for other types of blood cancers, and bone marrow transplant (BM/HSC) conditioning. The patent now granted is particularly relevant to the chimeric antigen receptor (CAR) used in the HEMO-CAR-T product candidate for the treatment of AML. HEMO-CAR-T remains wholly owned by the Company and work is continuing in association with the University of Pennsylvania to take the therapy through to an IND (Investigational New Drug) application in preparation for clinical trials.