Registered number: 13138531

GENFLOW BIOSCIENCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2021

GENFLOW BIOSCIENCES PLC

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GENFLOW BIOSCIENCES PLC

COMPANY INFORMATION

Directors	Yassine Bendiabdallah (Non-Executive Chairman) Eric Leire (Executive Director) Andrew Scott (Non-Executive Director) Gabrielle Silver (Non-Executive Director) Peter King-Lewis (Non-Executive Director)
Company Secretary	Westend Corporate LLP
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Company Number	13138531
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GENFLOW BIOSCIENCES PLC

CHAIRMAN'S STATEMENT

Dear Shareholders,

Introduction

I am pleased to present my first statement as the Chairman of Genflow Biosciences Plc (GENF) (the "Company").

The Company is a preclinical biotechnology company focused on the development of innovative biological interventions (namely gene therapies) which are aimed at tackling the effects of ageing, potentially slowing or halting the ageing process and so reducing the incidence of age-related diseases and thereby increasing health span. The Company is seeking to develop treatments that can be applied to both humans and dogs.

The Company has the benefit of two patent applications in relation to:

(i) SIRT6 gene mutations found in centenarians (being humans that live over 100 years ("**Centenarians**")) which the Company believes has the potential to enhance both health-span and possibly life expectancy, pursuant to an exclusive licence agreement entered into with the University of Rochester and Genflow Biosciences SRL (the Company's Belgian subsidiary); and

(ii) the method of administration and delivery of the Company's product into humans and dogs.

The Company primarily seeks to develop its lead compound, GF-1002 to combat the ageing process. GF-1002 is a suspension of an adeno-associated viral vector-based gene therapy for intravenous infusion. It is a recombinant self-complementary adeno-associated virus ("**AAV**") serotype 2 containing a transgene encoding the cDNA portion of a variant of the human SIRT6 gene found in Centenarians under the control of a cytomegalovirus promoter.

The past 15 years have seen extraordinary development of the scientific communities' understanding of ageing and more specifically, the causes underlying the cellular and molecular processes that deteriorate with age. The market opportunity in the longevity field of medicine is extremely wide and diverse because as life expectancy increases, so does the rate and variety of age-related diseases.

2021

In January 2021, the Company was formed with the intention of being the parent company to Genflow Biosciences Corporation (now Genflow Biosciences Inc) and Genflow Biosciences SRL (the Group's main operating company).

Between formation and Admission (defined below), the Company raised £832,700 through pre-IPO financing (despite the challenging economic environment brought on by the pandemic). This money was used to : (i) establish a laboratory at the Gosselies Biopark in Belgium; (ii) build an intellectual property portfolio; (iii) generate an operating version of its own SIRT6-specific AAV construct; (iv) conduct initial in vitro and in vivo pre-clinical proof-of-concept studies; (v) set up a scientific advisory group; (vi) build a pipeline of gene therapy candidates (GF-1002 and GF-2001); (vii) define its pre-clinical and clinical development programmes; and (viii) obtain SME status from European Medicine Agency and research grants from the Wallonia region.

In spite of the Covid-19 restrictions we have been able to continue our pre-clinical program with success, gathering promising pre-clinical data for the future clinical use of the variant of sirtuin 6 gene to slow or reverse ageing process.

On 19 May 2021, a patent application (US 63/188,573) relating to the GF-1002 compound ("**GF-1002 Patent Application**") and its administration to treat humans and pets was filed by the University of Rochester, the Trustees of Columbia University in the City of New York and Albert Einstein College of Medicine. The parties to the GF-1002 Patent Application have entered into a mutual ownership agreement pursuant to which the University of Rochester has provided the Company's wholly-owned subsidiary Genflow Biosciences SRL with an exclusive licence in relation to these patent rights pursuant to an exclusive worldwide patent licence agreement ("**Exclusive Licence Agreement**"). The GF-1002 Patent Application principally relates to the cDNA of the variant of the human sirtuin 6 gene found in Centenarians. This represents the broadest possible scope for a "gene patent application" since it encompasses *any* use of the variant, including specifically, the Group's product GF-1002, but also any product that contains the variant for use in any application. As a consequence, a third party seeking to use the variant would need an authorisation, and a licence from, the Group.

2022

On 17 January 2022, the Company successfully listed its 292,506,618 issued Ordinary Shares on to the Standard Segment of the London Stock Exchange ("Admission"). An incredibly exciting milestone for the Company, making it the first longevity focussed company listed in Europe.

GENFLOW BIOSCIENCES PLC

CHAIRMAN'S STATEMENT

Group Strategy

Our strategy is to continue to build and grow an effective longevity-specialised biotechnology company. We are extremely pleased by the progress made, and support provided, during this period in advancing the Group's strategic priorities.

While we continue to develop and embed a strong governance framework across the culture of our organisation, we also take a balanced approach to ensure that our processes are efficient and support our growth strategy.

The Group's strategy is further details in the Strategic Report on Page 5.

Governance and the Board

As at 31 December 2021, the board of directors consisted of myself and Eric Leire, the Company's CEO. Following Admission, the board was strengthened by the appointment of three additional non-executive directors, Prof Andrew Scott, Dr Peter King-Lewis and Dr Gabrielle Silver.

The role of the board of the Company includes ensuring the societal impact, sustainability and viability of the Company which has never been more critical than in the uncertain times of 2021. We will continue to monitor and assess the capabilities needed at Board level to set and deliver the Group's strategy, apply robust governance practices and ensure succession plans are in place, and we will look to strengthen these capabilities and diversity, where appropriate

Forward look

This past year has been transformative for the Company. We remain encouraged by the scientific progress being made and the interest and support shown by our investors and the healthcare professionals in our SIRT6 gene therapies. We continue to push the boundaries of our gene delivery technologies, and develop the CMC capabilities of the Group. Our vision remains to become a leading longevity-focussed biopharmaceutical company.

Genflow's achievements in 2021 and early 2022 reflect the exciting business model and robust position of the Company as well as the hard work and dedication of all our colleagues in a time of exceptional challenge. I would like to thank everyone at Genflow for their contribution during the period, and our investors for their continued support.

Yassine Bendiabdallah
Non-Executive Chairman

GENFLOW BIOSCIENCES PLC

STRATEGIC REPORT

Introduction

We are a pre-clinical biotechnology company committed to using gene therapy technologies to develop drugs that potentially halt, slow or reverse the ageing process. We are developing therapeutics targeting ageing in humans with an additional focus on a veterinary program for dogs. Our products will aim at improving the health span (living healthier for longer) and potentially, life expectancy. Our objective is to develop gene therapies that address the growing medical need to prevent and delay age-related diseases by using adeno-associated viruses ("AAV") vectors to deliver copies of a sirtuin-6 (SIRT6) gene variant found in Centenarians.

Research and Development Update

The Company's focus is the creation of innovative interventions in gene therapies that provide hope for halting, slowing or even reversing the ageing process. The Group seeks to streamline and accelerate pre-clinical, regulatory, clinical, and production pathways.

In 2021, the Group conducted an initial discovery phase of the GF-1002 pre-clinical programme. The GF-1002 pre-clinical programme focused on the assessment of various combination of gene of interest / Adeno Associated Virus (AAV)[1] vector constructs, the conduct in vitro proof-of-concept efficacy on telomere[2] length and on senescence[3], and the delivery of in vivo proof of concept in mice and in mice model of Werner Syndrome.

The work achieved in collaboration with the University of Genova confirmed that the sirtuin 6 gene variant from Centenarians can be expressed with the Company's functional plasmid[4] and has allowed the Company to fine tune the design of its proprietary AAV vector.

The following IMPD-enabling step of the GF-1002 pre-clinical programme will mainly replicate the in vivo mice studies in dogs, assess GF-1002 in non-GLP[5] preliminary non-human primate studies and in GLP long term non-human primate studies, and evaluate the safety and distribution of GF-1002 in non-human primates and non -GLP toxicity studies in mice.

In parallel, the Company will work on the optimisation of the AAV vector manufacturing process including analytical assays and characterisation. The Company will also look to up-scale the production of GF-1002, to toxicity batch and to GMP[6] scale.

During the pre-clinical programme, the Company will seek frequent and early interactions with regulatory authorities including the EMA and the FDA.

The pre-clinical programme will also include preliminary preparation of the clinical trial in Werner Syndrome with the production of a trial synopsis, the identification of investigators and the feasibility evaluation of the future clinical site.

During Covid-19, we adapted to remote working with the business remaining fully operational whilst continuing our scientific development program in laboratories to deliver scientific data assessing the safety and efficacy of the centenarian variant of the SIRT6 gene.

Over the last year, the Company has been working on expanding the pipeline from a single gene therapy (GF-1002) to three additional potential drug candidates and will announce these in due course, with any other significant developments.

Intellectual Property

On 16 June 2021, Genflow Biosciences SRL entered into an exclusive worldwide patent license with the University of Rochester concerning the GF-1002 compound and its administration to treat humans and pets. The GF-1002 patent application principally relates to the cDNA of the variant of the human sirtuin 6 gene found in Centenarians. This represents the broadest possible scope for a "gene patent application" since it encompasses any use of the variant, including specifically, the Group's product GF-1002, but also any product that contains the variant for use in any application.

On 16 July 2021, a provisional patent application (US 63/222,557) ("**Method of Delivery Patent Application**") was made for the method of administration and delivery of the GF-1002 compound into humans and dogs, more specifically the method of *in vivo* administration of SIRT6 gene via AAV to generate episomal transient expression of the sirtuin 6 gene for the purpose of extending lifespan and increasing health span.

[1] Adeno-associated virus (AAV) is a non-enveloped virus that can be engineered to deliver DNA to target cells.
[2] A telomere is the end of a chromosome. Telomeres are made of repetitive sequences of non-coding DNA that protect the chromosome from damage.
[3] Senescence is a process by which a cell ages and permanently stops dividing but does not die.
[4] A plasmide is a genetic structure in a cell that can replicate independently of the chromosomes.
[5] Good Laboratory Practice (GLP)
[6] Good Manufacturing Practice (GMP)

STRATEGIC REPORT

Strategic development

Since incorporation the Company has entered into several scientific collaborations with top-tier longevity research institutions. The Company entered into a collaboration agreement with St Anne's University Hospital - International Clinical Research Center ("ICRC"), in Brno, Czech Republic on 31 May 2021 in which the parties agreed to collaborate on a pre-clinical programme to assess the effect of SIRT6 delivery on cellular senescence and metabolism in vitro and in vivo.

The Company also entered into a collaboration agreement with IVEX Lab OÜ ("IVEX") who are based in Estonia on 8 April 2021 in which the Company and IVEX agreed to collaborate on the development of AAV vectors for SIRT6 therapy and on the large-scale production of AAV vectors for in vivo study in animal models.

In March 2022 the Company commenced a scientific research collaboration with the University of Rochester's Aging Research Center ("RoAR"). The collaboration will initially research the potential of Sirtuin-6 in reversing the ageing process in liver tissue, which is the first step towards a true rejuvenation gene therapy across a range of tissues. The collaborative research will be spearheaded by a member of the Company's scientific advisory board, Dr Vera Gorbunova, who is also a co-director of RoAR and an internationally acclaimed leading scientist in the areas of DNA repair and the ageing process.

Genflow has established what the Directors believe is a strong scientific advisory board ("Scientific Advisory Board") experienced in the field of longevity. The role of the Scientific Advisory Board is to provide the Company with specific guidance on its research & development programmes. Furthermore, the Company can benefit from constant external perspectives which the members of the Scientific Advisory Board can bring to steer its research & development strategies. Details of the Scientific Advisory Board members are as follows:

Dr Eric Verdin
Dr Eric Verdin, M.D. has been Chief Executive Officer and President of Buck Institute For Age Research since November 18, 2016. Dr. Verdin served as an Associate Director and Senior Investigator at the Gladstone Institute of Virology and Immunology and a Professor of Medicine at the University of California. Dr. Verdin's laboratory work focuses on the role of protein acetylation in biological processes, particularly in modulating the immune response. Specifically, his laboratory studies histone deacetylase enzymes (HDACs) that remove acetyl groups from histones and non-histone proteins.

Dr Vera Gorbunova
Dr Vera Gorbunova, PhD is the Co-director of the Rochester Ageing Research Center, University of Rochester New York. Dr Gorbunova is an endowed Professor of Biology at the university and a co-director of the Rochester Ageing Research Center. Her research is focused on understanding the mechanisms of longevity and genome stability and on the studies of exceptionally long-lived mammals. Her work received awards from the Ellison Medical Foundation, the Glenn Foundation, American Federation for Ageing Research, and from the National Institutes of Health. Her work was awarded the Cozzarelli Prize from PNAS, the prize for research on ageing from ADPS/Alianz, (France), the Prince Hitachi Prize in Comparative Oncology, (Japan), and the Davey prize from Wilmot Cancer Center.

Dr Matthew Hirschey
Dr Matthew Hirschey, PhD is an Assistant Professor in the Departments of Medicine (Division of Endocrinology, Metabolism and Nutrition) and Pharmacology & Cancer Biology at Duke University Medical Center and a faculty member of the Sarah W. Stedman Nutrition and Metabolism Center and the newly formed Duke Molecular Physiology Institute. His research focuses on mitochondrial metabolism, with a particular interest in how cells use metabolites and chemical modifications to sense metabolism. He and his lab study the regulation of this process by a family of enzymes called sirtuins, and how sirtuins maintain energy homeostasis. His work has appeared in several leading journals, including Nature, Science, Cell Metabolism and Molecular Cell. He has received several awards including an Innovator Award from the American Heart Association, a New Scholar in Ageing Award from the Ellison Medical Foundation, and the Helmholtz Young Investigator in Diabetes (HeIDi) Award. His work is supported by grants from the American Heart Association, the Mallinckrodt Foundation, Friedreich's Ataxia Research Alliance, the Ellison Medical Foundation, and the National Institutes of Health.

Dr Manlio Vinciguerra
Dr Manlio Vinciguerra, PhD is a Principal Investigator at the International Clinical Research Center (ICRC), Brno, Czech Republic. Previously he held a position of Senior Lecturer at the Institute for Liver and Digestive Health at University College London (UCL), London, United Kingdom. He received his PhD in Internal Medicine (2004) and research training at the University of Geneva, Switzerland, and at the European Molecular Biology Laboratory (EMBL), in Italy and in Germany (2005-2011). He obtained a degree in Biomolecular Sciences from the University of Catania, Italy, in 1999. Dr. Vinciguerra unravelled important cellular signalling and epigenetics mechanisms involved in metabolic and infectious processes, stress and ageing in the heart and in the liver, such as PI3K/AKT/mTOR pathway and sirtuins, using a systems biology approach in cells and rodent models. He is a member of Who's Who in Gerontology.

In order to aligned the objectives of the SAB members with that of the Group, a portion of the SAB member's remuneration is in the form of Ordinary Shares in the Company.

Investment To Date

In January 2022, the Company successfully completed a £3.7 million equity fundraising consecutive with Admission (in addition to the funds already raised at pre-IPO).

STRATEGIC REPORT

The proceeds of this equity fundraising (in addition to other amounts raised) enable the Group to execute its business plan for the next two years, which is broadly progressing our lead compound to clinical trial authorisation, broadening our drug candidate pipeline and strengthening our IP position. The Board will continue to monitor other potential significant opportunities in the expanding longevity sector.

On 16 March 2022, the Company announced that the Group has received confirmation from the Wallonia region in Southern Belgium that it is to receive a non-dilutive research grant award of up to €3.375m. This grant will allow the Group to further extending its cash runway to support commercialisation activities.

Organisational progress

Since incorporation, the Company has made significant progress in its commitment to best practice in Corporate Governance.

Prior to Admission, the board of directors consisted of Yassine Bendiabballah and Eric Leire. However, following Admission, the board was strengthened by the appointment of three further non-executive independent directors, Prof Andrew Scott, Dr Peter King-Lewis and Dr Gabrielle Silver.

On Admission, the Company enhanced its corporate governance policies to those more appropriate for a listed company by putting in place:

- An effective board of directors that is collectively responsible for ensuring success in the long term, led by a chairman who is committed to continuous improvement
- A board that features a balance of competencies, experience, diversity, company knowledge and independence
- Directors that are able to dedicate sufficient time to their responsibilities, receive a great induction and have the opportunity to regularly update their skillset
- Regular evaluation of the board performance as well as that of the individual directors and committees.

The Company's Corporate Governance policy has been further detailed in the Corporate Governance Report on page 15.

Following Admission the Company has also engaged Westend Corporate LLP to provide ongoing professional corporate and accounting support services.

Being a great place to work

Underlying our strategy is our dedication to ensuring we are able to attract and retain great talent by being, and remaining a great place to work. As our business grows, we believe our success will require ideas that can only come from people encouraged to be themselves at work, enabled to contribute to their full potential, and empowered to challenge conventional thinking. For us that means being an inclusive and diverse workplace, attracting and retaining the best people. Genflow is yet to hire employees other than Directors, however we are committed to implementing the aforementioned strategy from the start of our journey.

Gender diversity

The Company's culture allows and encourages every person to make a unique and positive contribution to the organisation irrespective of their differences. The Company encourages contributions from all groups and actively seeks to employ a diverse workforce.

Roles by gender 2021

	Female	Male
Non-executive Director	1	3
Executive Director	-	1

Financial Overview

As at 31 December 2021 the Group had cash reserves of £224,004 and is debt free.

On 17 January 2022, the Company successfully listed its 292,506,618 issued Ordinary Shares on to the Standard Segment of the London Stock Exchange. The fundraise at the time of Admission consisted of issuing 47,036,500 Ordinary Shares at 8p, receiving placing proceeds of £3,451,516 net of commissions.

Group administration expenses for the 2021 period totaled £938,096 which primarily consisted of professional, legal and consulting fees of £405,285 and PR and marketing costs of £138,933. These costs are largely associated with Admission and are considered off-one expenses. Expenditure on research and development was £86,044 for the period.

Other Comprehensive Income was charged with a translation loss of £14,065 upon converting the Subsidiary's results for the period since acquisition to GBP.

STRATEGIC REPORT

Key Performance Indicators ("KPIs")

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will be used by the Board to assess performance.

The main KPIs for the Group at this stage are the level of cash and cash equivalents and the monitoring of progress of key milestones in the R&D phase. These allow the Board to monitor costs and plan future research and development activities.

	2021
Cash and cash equivalents	£220,004

Due to the Group being in the early stages of research and development, it is yet to reach its key milestones such as completing clinical trials involving dogs and primates. However, the Group continues to hit soft-milestones as its journey progresses.

Outlook

Our key objectives for 2022 are:

- Delivering proof-of-concept for Centenarian SIRT6 delivered by AAV in different animal models.
- Interacting with different health agencies , European Medicine Agency (EMA and MHRA); more specifically: to obtain Orphan Drug Designation for Werner Syndrome and successfully conducting our first scientific advice with WME.
- Continuing the constitution of the Chemistry, Manufacturing and Controls (CMC) section of our Investigational Medicinal Product Dossier (IMPD).
- Broadening our scientific collaborations with top-tier longevity research institutions.
- Exploiting new patent and other IP opportunities.

Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Director's believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172(1) of the Companies Act 2006. The requirements of s172 are for the Directors to:

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

The application of the s172 requirements are demonstrated throughout this report and the financial statements as a whole, with the following examples representing some of the key decisions made in 2021 and up to the date of the approval of these financial statements:

- Admission of the Company's Ordinary Shares to the Standard Segment of the Official List and the raising of £3.7m (less expenses) in addition to the £832,700 raised at pre-IPO to be used to fund the Group's core strategy. The funds will allow the Group to further its strategy more expediently.
- Entering into Collaboration Agreements to widen the Group's ability to obtain valuable research and to tap into the knowledge of other organisations.
- Secured arrangements with SAB members who are experts in sub-sectors of the longevity field, to enhance the skills and experience required for the Company as it progresses.
- Entering into the licence agreement with Rochester University New York. The exclusivity gives the Group, the licensee, the incentive to invest in developing the market potential of this technology.
- Expanding organisational capability through appointing experienced Board members to govern and lead the Company.

Principles 2 and 3 of the Corporate Governance Statement on pages 15-20 provides further evidence for how Section 172(1) has been applied to strategic issues, risks or opportunities across key stakeholder groups.

By order of the Board

Eric Leire
Chief Executive Officer
28 April 2022

GENFLOW BIOSCIENCES PLC

OPERATING RISKS AND UNCERTAINTIES

Set out below are the key operating risks and uncertainties affecting the Group.

The Exclusive Licence Agreement risk

The success of the Group's business is highly dependent upon the Exclusive Licence granted to Genflow BE by the University of Rochester. Under the terms of the Exclusive Licence Agreement, Genflow BE is required to maintain high standards and meet various development milestones and expenditure requirements.

If the Group fails to meet its obligations under the Exclusive Licence Agreement or if the Exclusive Licence is terminated for any reason, it could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

Mitigation: The Company put in place a mitigation strategy upon entering into the License Agreement by designing a licensing agreement that aligns the interests of all parties involved. Furthermore, the licensee's obligations included in the agreement are realistic and proportionate to meet with appropriate monitoring by the Board.

IP risk

There is no guarantee that the patent applications will result in granted patents or provide the appropriate level of protection. The Exclusive Licence granted to Genflow BE pursuant to the Exclusive Licence Agreement is conditional upon the success of the GF-1002 patent application. Should the GF-1002 patent application not be successful, then the Group will not have any right to commercialise GF-1002 which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

Additionally, the commercial success of the Group is dependent, in part, on non-infringement of patents by other third parties. An adverse judgment against the Group may give rise to significant liability in monetary damages, legal fees and a requirement to cease manufacturing, marketing or selling products.

Mitigation: The Company minimises this risk by engaging ICOSA Europe, an reputable independent IP law firm to conduct a Freedom To Operate (FTO) analysis. This FTO search determined that pending applications do not infringe any of the claims of other issued or pending patent applications. A constant monitoring of third parties' activities will reduce this risk and enable the Group to quickly react in case of infringement. Moreover, the Group has the right to file infringement complaints with the courts and to defend its patent rights.

Risks related to future funding requirements

The funds raised by the Company at the time of Admission are intended to support the Group's pre-clinical development activities. Additional capital will have to be raised to support clinical trial activities through established and highly-regulated pathways to assess safety, tolerability and efficacy of each of its products before applications can be made to individual countries or markets. Furthermore, such clinical trials are typically expensive, complex and can take considerable time to complete.

Whilst the Company believes that it is raising sufficient funds to enable it to undertake all work preparatory to large animal studies over the next 18 months, the Company will need to raise further funds to complete the development and commercialisation of its products and to proceed with any future product candidates.

Mitigation: The Company keeps close control over budgeted vs actual expenditure to minimise over spending and to track progress against milestones. The Group will also seek to look at alternative funding such as grants. The Group also has further fundraising at its disposal, however, it cannot be guaranteed that further funding from investors will be available when required.

Risk related to dependence on key personnel

The Group will be highly dependent on the expertise and experience of the Directors, senior management and the Scientific Advisory Board and in particular Dr Eric Leire and Dr Vera Gorbunova. Recruiting and retaining qualified personnel (such as Dr Eric Leire and Dr Vera Gorbunova), consultants and advisers with the relevant gene therapy expertise will be important to its success.

Mitigation: The Company minimises this risk by bringing additional competencies within the management team, offering an attractive remuneration package and including share-based compensation within the remuneration packages of Board members and key personnel. Furthermore, the Company is entering into scientific collaborations with organisations in UK, Europe and USA which allows the Company to utilise the experience of personnel within these organisations.

Research and development risk

The Group operates in the biotechnology development sectors and will carry out complex scientific research. If the research, preclinical testing or clinical trials of any of its product candidates fail, meaning that these candidates will not be licensed or marketed, this would result in a complete absence of revenue from these failed candidates. Additionally, any positive results

from trials carried out on animals may not necessarily transfer to humans. For example, the mouse model study for Werner Syndrome cannot yet be seen to be fully reliable.

Mitigation: The Company will minimise this risk by broadening its drug candidate portfolio. Furthermore, the Company establishing a culture of collaboration with other research organisations with complementary expertise. Translational projects such as pre-clinical development of SIRT6-AAV require the integration of many scientific disciplines and breaking down of the 'cultural' barriers that sometimes exist between the disciplines.

Timeline risk

Failure can occur at any stage of clinical development and, as a result, enforced delays to the clinical development plan could hinder or prevent commercialisation of the Group's product candidates. Many markets where the Group intends to market its future products, including the US, Europe and Asia, expect proposed new pharmaceutical products to pass stringent standards. As a result, clinical trial design is extremely important, but costly and time-consuming, in order to satisfy national government regulatory authorities, clinical investigators, hospital ethics committees, institutional review boards, customers and distributors.

Mitigation: The Company intends to minimise this risk by retaining the skills and knowledge of the Scientific Advisory Board and monitoring R&D progress against budget and millstones. The Company will also apply for Orphan Drug Designation which provides a form of scientific advice, allowing sponsors to get answers to their questions on the types of studies needed to demonstrate the medicine's quality, benefits and risks, and information on the significant benefit of the medicine.

Risk related to the use of Adeno Associated Viruses

There is a risk that safety issues may arise when the Group’s products are tested. This risk is common to all new classes of clinical treatment and, as with all other biotechnology product companies, there is a general risk that trials may not be successful.

Mitigation: The Company minimises this risk by engineering its AAVs as safer non immunologic gene delivery vectors. Furthermore, in parallel to the design of improved AAVs, the Company is also exploring other ‘back-up’ gene delivery methods such as exosomes.

GENFLOW BIOSCIENCES PLC

DIRECTORS' REPORT

The Directors present their Report, together with the Group financial statements and Independent Auditor's Report, for the period ended 31 December 2021.

Principal Activities and Business Review

The Company is a preclinical biotechnology company focused on the development of innovative biological interventions (namely gene therapies) which are aimed at tackling the effects of ageing, potentially slowing or halting the ageing process and so reducing the incidence of age-related diseases and thereby increasing health span. The Company is seeking to develop treatments that can be applied to both humans and dogs.

A detailed review of the business of the Group during the period and an indication of likely future developments may be found in the Chairman's Statement on pages 3 and 4.

Principal risks and uncertainties are discussed on pages 9 to 10.

Section 172 of The Companies Act has been considered in the Corporate Governance report on pages 15 to 20. The Board is committed to consideration of all stakeholders in their decision making and conduct of the Group's business.

Results and Dividends

The loss of the Group for the period ended 31 December 2021 from continued operations amounts to £988,195.

The Directors do not recommend the payment of a dividend for the period.

Directors
The Directors who held office during the period and up to the date of signature of the financial statements were as follows:

Yassine Bendiabdallah	(Appointed 6 June 2021)
Eric Leire	(Appointed 23 March 2021)
Garth Palmer	(Appointed 18 January 2021, resigned 23 March 2021)
Andrew Scott	(Appointed 17 January 2022)
Gabrielle Silver	(Appointed 17 January 2022)
Peter King-Lewis	(Appointed 17 January 2022)

Directors' remuneration is disclosed in Note 8 to the financial statements.

Directors' Interests

The Directors who served during the period ended 31 December 2021 had the following beneficial interests in the shares of the Company at period end:

	31 December 2021		As at the date of this report	
Director	**Ordinary Shares**	**Options**	**Ordinary Shares**	**Options**
Eric Leire [(1)]	120,000,000	-	120,150,360	-
Yassine Bendiabdallah	-	-	362,500	-
Andrew Scott	-	-	300,000	-
Gabrielle Silver	-	-	562,500	-
Peter King-Lewis	-	-	300,000	-

(1) Eric's wife, Ms J Pattison, holds 150,360 Ordinary Shares.

Substantial Shareholdings
The Company is aware that, as at 28 April 2022, other than the Directors, the interests of Shareholders holding three per cent or more of the issued share capital of the Company were as shown in the table below:

Shareholder	**Shares held**	**Percentage of holdings**
Eric Leire	120,000,000	41.0%
Adrian Beeston	17,475,000	6.0%
Theseus Capital Ltd	15,550,000	5.3%
Sarah Beeston	10,000,000	3.4%

Political Contribution
The Group did not make any contributions to political parties during the period.

DIRECTORS' REPORT

Corporate Responsibility

Environmental

As a development stage biopharmaceutical business, the Group's operations are at a relatively small scale. As such, the Group's environmental impact is relatively small when compared with larger businesses in the sector. Nevertheless, the Board recognises its responsibility to protect the environment (particularly as the business scales up) and is fully committed to conserving natural resources and striving for environmental sustainability, by ensuring that its facilities (and the facilities of academic and contracted collaborators) are operated to optimise energy usage; minimise waste production; and protect nature and people.

The Group is currently deemed to be a low energy user meaning it has consumed less that 40MWh of energy during the reporting period. This includes the combustion of gas, consumption of fuel for transport and the purchase of electricity for its own use. As such, it is exempt from disclosing actual kWh of energy emitted during the period from its operations and activities.

As the Group's operations scale up, it will continue to monitor its energy use and its status as a low energy user. The Group will seek to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified where relevant.

Social

The Board is committed to creating a positive, inclusive and welcoming work environment for its employees, workers, job applicants and academic and business partners. The Group ensures that people receive equal treatment, regardless of gender, gender-identity, age, disability, religion, belief, political views, sexual orientation, marital status, nationality or race, physical or mental health.

The Directors believe that diversity is fundamental to the Group and to the success of developing innovative therapeutic treatments. The Board is committed to creating a diverse environment, where the rights and differences of everyone, directly or indirectly operating within the Group, are valued.

Health and safety

The Company operates a comprehensive health and safety programme to ensure the wellbeing and security of its employees. The Board will at all times work to ensure that the Group complies with the highest standards of ethical and safety standards. In addition, the Group uses hazardous, or potentially hazardous, chemical and biological materials during its research and development cycles. These materials are necessary for the core research activities undertaken by the Group. The Group is committed to ensuring that hazardous chemicals and biological materials are acquired, stored, transferred, modified, handled, and disposed of in a way that minimises any potential adverse effects to human health and to the environment. Their use is based on both an understanding of the hazards they present and on the corresponding controls aimed at managing the risk of exposure. The Group complies with the local and national guidelines in all matters of health and safety.

For scientific and regulatory reasons, animal studies remain a crucial part of the Group's work to deliver safe and effective therapies, which benefit animal and patients' health and the wellbeing of our society. At present it is not possible, either due to lack of suitable alternatives, or because animal studies are required by regulatory authorities, for the Group to eliminate the need for animal studies in its work. The Group recognises the ethical responsibility to treat all animals respectfully, while striving to minimise their pain or distress, and to avoid it completely when possible. To this end, the Group strictly complies with all applicable international and local legislation and regulatory guidelines and, furthermore, is committed to following the high standards of internationally recognised practices on the humane treatment of animals. The Group upholds and embraces the "3Rs" of animal research, namely:

- the replacement of animals when possible and/or acceptable;
- the reduction of the numbers of experiments and of animals required by each experiment; and
- the minimisation of pain and distress, by means of refinement of animal studies procedures.

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. The principal business risks affecting the Group are set out on pages 9 and 10.

DIRECTORS' REPORT

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in foreign currency exchange rates, funding risk, credit risk, liquidity risk and interest rate risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments to manage foreign currency risk and, as such, no hedge accounting is applied.

Details of the Group's financial risk management policies are set out in Note 3 to the financial statements.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the period. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Going Concern

On Admission, the Company received net placing proceeds (after commission) of £3,451,516 from the issuance of 47,036,500 Ordinary Shares. Management has prepared a forecast covering 12 month post-period end and believe that current cash reserves will adequately cover the working capital requirements of the Group, in addition to meeting research and development commitments. As such, the Directors have a reasonable expectation that the Group has, and will have access, to adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and financial statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern in Note 2 of the financial statements.

Viability statement

In accordance with provision 30 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the going concern provision. The Directors consider the timeline of 18 months to be appropriate. A longer period of assessment introduces greater uncertainty since the variability of potential outcomes increases as the period considered extends. A shorter period of assessment impacts the Group's ability to put the right capacity in the right place on time.

Following Admission, the Company received net proceeds of £3,451,516 and post period end, the Group has received notification that it had been awarded a non-dilutive research grant award of up to €3.375m from the regional government of Wallonia in southern Belgium. Management hope to use the funds to expedite certain phases of its planned research and development. Management has prepared forecast covering 18 month post-year end and believe that current cash reserves will adequately cover the working capital requirements of the Group in addition to meeting research and development commitments.

Directors' and Officers' Indemnity Insurance

During the financial period, the Company maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy. The Company has not provided any qualifying indemnity cover for the Directors.

Events after the reporting period

Events after the reporting period are set out in Note 22 to the financial statements.

Provision of Information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 28 April 2022 and signed on its behalf.

Yassine Bendiabdallah
Non-Executive Chairman

GENFLOW BIOSCIENCES PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law in the United Kingdom requires the Directors to prepare Group and Company financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group financial statements in accordance with international financial reporting standards in accordance with the requirements of the Companies Act 2006; the Company financial statements are prepared on the same basis.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Company's website is the responsibility of the Directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

GENFLOW BIOSCIENCES PLC

CORPORATE GOVERNANCE REPORT

The Company follows the QCA Corporate Governance Code ("the Code") as its code of corporate governance. The Code is published by the Quoted Companies Alliance ("QCA") and is available at www.theqca.com.

Corporate Governance Report
The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Group and Company applies each of the principles:

Principle One
Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a focussed strategy for the Group.

The Group's strategy is to focus on the development of innovative biological interventions (namely gene therapies) which are aimed at tackling the effects of ageing, potentially slowing or halting the ageing process and so reducing the incidence of age-related diseases and thereby increasing health span. The Company is seeking to develop treatments that can be applied to both humans and dogs. Further details on the Group strategy is set out in the Strategic Report on page 5.

Principle Two
Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.genflowbio.com, and via communication with directors, in particular, Eric Leire, (Chief Executive Officer) who is responsible for shareholder liaison.

The Company's annual report, Notice of Annual General Meetings (AGM) are sent to all shareholders and can be downloaded from the Company's website. Copies of the interim report and other investor presentations are, or will be, available on the Company's website.

At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provide voting shareholders with an opportunity to vote in advance of the AGM if they are unable to vote in person. The Company's registrars count the proxy votes which are properly recorded and the results of the AGM are announced through an RNS. The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Company's AGM are, as much as possible, within the recommended guidelines of the QCA Code.

Shareholders are kept up to date via regulatory news flow ("RNS") on matters of a material substance and regulatory nature. Periodic updates are provided to the market and any deviations to these updates are announced via RNS.

Non-deal roadshows may be arranged throughout the period to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the market. Additionally investor presentations can be found on the Company's website.

Principle Three
Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the management and employees of the Company and its scientific advisory board, contractors, suppliers, regulators and other stakeholders. As the Group grows and develops, the Board have plans to put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company will participate in a structured Company-wide annual assessment processes which are designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two way communication with agreement on goals, targets and aspirations of the employee and the Company. The Board recognises that these feedback processes will help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

Principle Four
Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Environmental Risk	Negative environmental impact of operations	The Group's operations are at a relatively small scale. As such, the Group's environmental impact is relatively small.	Ongoing monitoring to ensure that its facilities and the facilities of academic and contracted collaborators are operated to optimise energy usage minimise waste production and protect nature and people.
Research and development risk	The research, preclinical testing or clinical trials of any product candidates could fail, meaning that these candidates will not be licensed or marketed.	This could result in a complete absence of revenue from these failed candidates.	Ongoing monitoring of results, assessment by independent experts on viability of studies and the retention of the SAB members.
Availability of licenses	Failure to meet obligations under the Exclusive Licence Agreement could result in its termination.	The Group would not have any right to commercialise GF-1002 which could have a material adverse effect on the business, result of operations, financial condition and prospects of the Group.	Ongoing monitoring of the Company's obligations under the Exclusive Licence Agreement including the payments of amounts due and reporting obligations.
Grant and infringement of patents	There is no guarantee that the Patent Applications will result in granted patents. Also, the Company may not be able to monitor infringement of its patents by third parties.	The Group will not have any right to commercialise GF-1002 if patents are not obtained. The commercial success of the Group is dependent, in part, on non-infringement of patents by other third parties.	Provide ongoing assistance as may be required by the applicants to the Patent Application.
Dependence on key personnel	The Group will be highly dependent on the expertise and experience of the Directors, senior management and the Scientific Advisory Board.	A loss of key personnel could result in a loss of knowledge and personnel taking their knowledge to competitors.	Recruiting and retaining and incentivising qualified personnel, consultants and advisers with the relevant gene therapy expertise.
Strategic	Market downturn Failure to deliver commerciality	Change in macro economic conditions Inability to secure offtake agreements	Ongoing monitoring of economic events and markets Active marketing and experienced management
Financial	Misappropriation of Funds IT Security Ability to raise further capital	Fraudulent activity and loss of funds Loss of critical financial data The Group may be required to reduce the scope of its investments or anticipated expansion	Robust financial controls and split of duties Regular back up of data online and locally Ongoing monitoring of economic events and markets

Regulatory risk	The Group will need to obtain various approvals from a number of regulatory authorities in order to market its future products.	The Group's activities will be adversely affected by regulatory factors such as the suspension of licences and changes to regulatory requirements that will govern any novel gene therapy.	Proactive engagement with Government at all levels.

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive director. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the outsourced finance function and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five
A Well Functioning Board of Directors

As at the date hereof, the Board comprises, one Executive Director Eric Leire and one Non-Executive Chairman Yassine Bendiabdallah. Three further Non-Executive Directors, Dr Gabrielle Silver, Prof. Andrew Scott and Dr Peter King-Lewis, were appointed to the Board on Admission on 17th January 2022.

Details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals as set out in the Company's articles of association (Article 29.1). The service agreement and letters of appointment of all Directors are available for inspection on reasonable notice at the Company's registered office during normal business hours.

The Board meets in person at least twice per year and has quarterly Board calls. Post period end and on Admission, it has established an Audit Committee, the members of which are included in Principle Six below. A Remuneration Committee and Nomination Committee has been established on Admission and seeks to follow the guiding principles laid out by the Quoted Company Alliance (QCA). No Board member may influence decisions relating to their own specific remuneration.

Yassine Bendiabdallah, Dr Gabrielle Silver, Prof. Andrew Scott and Dr Peter King-Lewis are considered to be Independent Directors and as such the Company is in compliance with the requirement to have a minimum of two independent non-executive directors on its Board. Prior to Admission, the Company only had one Independent Director and therefore, was not able to comply with this requirement. The Board notes that the expectation of the QCA Code is that the Chairman will not have an executive capacity and that the role of the Chairman and Chief Executive Officer ("CEO") are not held by the same person. The Board shall review further appointments as scale and complexity grows.

The Company shall report annually on the number of Board and committee meetings held during the period and the attendance record of individual Directors. To date in the current financial period the Directors have a 100% record of attendance at such meetings. Directors meet formally and informally both in person and by telephone. Formal board meetings held and attended during the period are detailed below:

	Meetings Attended	Meetings eligible to attend
Garth Palmer (Resigned 22/03/21)	0	0
Eric Leire	4	4
Yassine Bendiabdallah	4	4

Principle Six
Appropriate Skills and Experience of the Directors

Post-Admission, the Board consists of five Directors and, in addition, the Company has engaged the services of Westend Corporate LLP to act as the Company Secretary and to provide general financial and corporate assistance. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and two of the Directors have experience in public markets.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

CORPORATE GOVERNANCE REPORT

Dr Yassine Bendiabdallah Non-Executive Chairperson *(appointed 6 June 2021)*

Dr Yassine Bendiabdallah (MPharm, PhD, IP) is a Functional Medicine Healthy Ageing Specialist and an expert in Bio-identical Hormone therapy (BHRT). His previous academic degree as an anti-cancer drug discovery scientist with Cancer Research UK at University College London has earned him various distinctions and publications in peer-reviewed academic journals. After a few years in academia, he embarked on an entrepreneurial journey and co-founded the Zen Healthcare group of pharmacies and wellness clinics with multiple sites in London and worldwide partnerships. His current role is a clinical director and clinician with interests including age reversal therapies, functional approaches to medicine and intravenous micronutrient therapies. He also co-founded Pasithea Therapeutics, an innovative biotech company and mental health group of clinics and is currently Chief Operations Officer and head of UK Clinics. He is a director and board member of a number of companies within the healthcare industry.

Dr Yassine Bendiabdallah is the chairman of the Audit Committee and Remuneration and Nomination Committee.

Dr Eric Leire Chief Executive Officer *(appointed 23 March 2021)*

Dr Eric Leire, MD, MBA, brings to the Company a solid biotechnology expertise through his experience in the pharmaceutical industry (Pfizer, Schering Plough and Pharmacia), biotechnology (CEO of several private and public biotech companies such as APT Therapeutics and Paringenix), academia (Research Associate at the Harvard AIDS Institute) and Private Equity (partner at Biofund Venture Capital). He is the inventor of several patents. He also serves on the board of several biotechnology companies such as Pherecydes (ALPH.PA), Inhatarget, Immunethep, BSIM Therapeutics. Furthermore, Eric has been CEO of several cell and gene therapy companies such as Enochian Biosciences (Nasdaq: ENOB) and DanDrit Biotechnologies (OTC.QB: DDRT). He has also served as Non-Executive Director on the board of several cell and gene therapy companies such as Genizon (Canada) or FIT Biotechnology (Finland). He holds an MD from Grenoble University and an MBA from HEC, Paris and Kellogg, Northwestern University.

Professor Andrew Scott Non-Executive Director *(appointed 17 January 2022)*

Professor Andrew J Scott is Professor of Economics and a Research Fellow at the Centre for Economic Policy Research. Andrew previously held positions at Oxford University, the London School of Economics and Harvard University. His MA is from Oxford, his M.Sc. from the London School of Economics and his D.Phil from Oxford University. His research focuses on longevity, an ageing society, and fiscal policy and debt management and has been published widely in leading journals. His book, “The 100-Year Life” has been published in 15 languages and was runner up in both the FT/McKinsey and Japanese Business Book of the Year Awards. He was Managing Editor for the Royal Economic Society’s Economic Journal and Non-Executive Director for the UK’s Financial Services Authority. He is currently on the advisory board of the UK’s Office for Budget Responsibility, the Cabinet Office Honours Committee (Science and Technology), co-founder of The Longevity Forum and the World Economic Forum’s council on Healthy Ageing and Longevity.

Professor Andrew J Scott is a member of the Audit Committee.

Dr Peter King-Lewis Non-Executive Director *(appointed 17 January 2022)*

Dr Peter King-Lewis studied Medicine at St Bartholomew’s Hospital in London. Prior to that he served for ten years as a Submarine Seaman Officer and Diver in The Royal Navy. Having completed Post Graduate Training in General Practice (St Bartholomew’s, St Thomas’, The Chelsea and Westminster and The Priory Roehampton) he founded a Private General Practice in Central London. Continuing his interest in Hyperbaric Medicine he was an HSE approved Medical Examiner of Divers. He has a strong interest in Bioidentical Hormones and has practiced Acupuncture alongside more conventional medicine. Dr King-Lewis also started and runs OfficeGP Ltd which provides Primary Care in the workplace for a variety of companies. During the last 27 years he has also been the President of The Independent Doctors Federation and Hon Sec, President and Trustee of the Chelsea Clinical Society.

Dr Peter King-Lewis is a member of the Remuneration and Nomination Committee.

Dr Gabrielle Silver Non-Executive Director *(appointed 17 January 2022)*

Dr. Silver was formerly the Chief Executive of CHS Healthcare, the leading independent provider of hospital discharge services and Continuing Healthcare in the UK. She oversaw the successful sale of CHS to a trade buyer in 2021. Prior to joining CHS Healthcare, she ran Specialty Operations for McKesson UK. She has headed the global healthcare practice at Brunswick, advising clients across the life sciences sector with a focus on corporate positioning, crisis management and campaigns. She previously led the GE Global Strategic Marketing Organization with a focus on Neuroscience and Primary Care offerings. She also spent nine years in global roles within the pharmaceutical sector, including Eisai and Bristol Myers Squibb, where she was responsible for the development, launch and commercialisation of innovative therapies in the fields

of neuroscience, psychiatry and pain management. Having qualified as a doctor in London, and practiced as an anaesthetist, she is fully familiar with the UK public sector.

Dr. Silver received her BSc in Anatomical Science from the University of Bristol and her medical degree from the Royal Free Hospital School of Medicine in London. She also serves as an Independent Director at Opiant Pharmaceuticals, a NASDAQ listed biopharmaceutical company, focused on developing drugs for addiction disorders. She also serves as non-executive director at the Royal National Orthopaedic Hospital in London.

Dr Gabrielle Silver is a member of the Remuneration and Nomination Committee.

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance of the various governance components, as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight
Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that its scientific advisory board members, research collaborators and employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Directors believe that diversity is fundamental to the Group and to the success of developing innovative therapeutic treatments. The Board is committed to creating a diverse environment, where the rights and differences of everyone, directly or indirectly operating within the Group, are valued.

The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date of Admission, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously, The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employment contract specifies that the employee will comply with the policies. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine
Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee
The Audit Committee was established on Admission on 17th January 2022 and comprises Prof. Andrew Scott and Dr Yassine Bendiabdallah, who chairs this committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee was established on Admission on 17th January 2022 and comprises Dr Peter King-Lewis, Dr Gabrielle Silver and Dr Yassine Bendiabdallah, who chairs this committee. The Remuneration and Nomination

Committee reviews: remuneration, including making recommendations to the Company and the Board on the Company's policy on executive remuneration, including setting the overarching principles, parameters and governance framework of each of the Company's Executive Directors and certain senior executives; and the composition and make-up of the Board and any committees of the Board and evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement directors and committee members and will make appropriate recommendations to the Board on such matters.

Non-Executive Directors
The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the period. These provide for the orderly and constructive succession and rotation of the Chairman and Non-Executive Directors insofar as both the Chairman and Non-Executive Directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten
Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies whose shares trade on the Standard Segment of the London Stock Exchange. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors.

Copies of all Annual Reports, Notices of Meetings, Circulars sent to shareholders and Prospectus (in respect of the last 5 years) are included on the Company's website www.genflowbio.com/

Yassine Bendiabdallah
Non-Executive Chairman

28 April 2022

GENFLOW BIOSCIENCES PLC

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to present the Group's first Audit Committee report since its formation on 18th January 2022.

Meeting Attendance
The Audit Committee's first meeting took place in February 2022. Y Bendiabdallah chaired the meeting with and A Scott and the Group's auditors in attendance.

Composition of the Audit Committee
In line with the QCA, the Committee comprises two independent Non-Executive Directors, including the Chair. The members of the Audit Committee are Y Bendiabdallah and A Scott.

A Scott is Professor of Economics and a Research Fellow at the Centre for Economic Policy Research. He is currently on the advisory board of the UK's Office for Budget Responsibility. In the opinion of the Board, A Scott has significant, recent and relevant financial experience to fulfil the requirements of the role. All current members of the Audit Committee have held, or currently hold, board-level positions in Biotech with international reach.

The Audit Committee's membership, as a whole, has competence relevant to the sector in which the Group operates and is able to function effectively with the appropriate degree of challenge.

Committee Duties
The Audit Committee is committed to:

- Monitoring the integrity of the financial statements and financial performance;
- Reviewing financial statements, significant financial returns to regulators and any financial information of a sensitive nature;
- Reviewing and challenging internal financial controls and risk management systems including the review of matters of a non-financial nature;
- Reviewing and challenging accounting policies, accounting methods and adherence to accounting standards;
- Reviewing and making recommendation with regards to the external auditor, including appointment, independence, objectivity, effectiveness. Performance and renumeration;
- Consulting with the external auditor on the scope of their work and reviewing all major points arising from the audit;
- Ensuring full functionality of the whistleblowing policy.

External Auditor
The external auditor, PKF Littlejohn LLP ("PKF"), was appointed after consideration by the audit committee and scrutiny of their independence, objectivity and capabilities. The Audit Committee also received and reviewed a report from the external auditor setting out to its satisfaction how its independence and objectivity is safeguarded when providing non-audit services. The value of non-audit services provided by PKF in respect of the period ending 31 December 2021 amounted to £54,000 for transactional services. During the period there were no circumstances where PKF was engaged to provide services prohibited by the FRC's 2016 ethical standard or which might have led to a conflict of interest.

Financial Statements
The Audit Committee reviewed and agreed the external auditor's strategy and approach in advance of their audit for the period ended 31 December 2021, and reviewed reports on the outcome of the audit.

Going Concern and Viability
The Audit Committee reviews supporting papers from management to support the Going Concern and Viability statements set out in note 2.4 and the Directors report. This includes sensitivity analysis over key assumptions. Following this review, the Audit Committee recommended to the Board the approval of both statements.

Internal Audit
The Group does not have a formal internal audit function due to the size of the Group and the low number of transactions during the period. The Audit Committee considers this is appropriate given the close involvement of the executive director and external accountant on a day-to-day basis. However, the need for an internal audit function will be kept under review by the Audit Committee on behalf of the Board.

The year ahead
On 17th January 2022, upon the Group's admission of the Company's shares on the Standard Segment of the LSE, the Company established its Audit Committee. The Audit Committee is focused on maintaining a framework of internal control, the effectiveness of which will be regularly reviewed by the Audit Committee in light of an ongoing assessment of significant risks facing the Company and the Group. The Audit Committee is committed to assisting the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

This report was approved by the Board on 28 April 2022.

Yassine Bendiabdallah
Chairman of the Audit Committee

GENFLOW BIOSCIENCES PLC

REMUNERATION AND NOMINATION COMMITTEE REPORT

Dear Shareholders,

I am pleased to present the Group's first Remuneration and Nomination Committee report since its formation upon the Group's admission to the Standard Segment of the LSE.

Committee Composition and Meeting Attendance
The Committee is made up of Independent, Non-Executive Directors and shall meet not less than twice in each financial year. The Remuneration and Nomination Committee's first meeting is planned for 2022.

Committee Duties
The Remuneration Committee is responsible for:

- Determining and agreeing with the Board the framework or broad policy for the remuneration of the executive offices and other senior managers;
- Take into account all factors which it deems necessary including the level of the Company's remuneration relative to other companies to ensure that members of the company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company; and
- Determining each year whether awards will be made, and if so, the overall amounts of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.

Implementation of a Remuneration Policy
A key task of the newly established Remuneration and Nomination Committee is to establish a remuneration policy which will comprise of a bonus scheme and incentive awards.

Directors notice periods
The executive Director is subject to a twelve month notice period and all non-executive Directors are subject to a three month notice period.

Loss of office
None of the Directors contractually have claim to compensation for loss of office.

Base salary
The Committee's objective is to provide a competitive base salary reflective of the skills and experience of the relevant individual. These will be reviewed annually or on a significant change of responsibilities or change in market practice or a change in the size or complexity of the business. The Remuneration Committee also takes into account external market data and pay and employment conditions elsewhere in the Group and industry when considering increases to base salary levels. There are no performance criteria associated with receiving this benefit.

Pension
Pensions are provided to aid recruitment and retention by allowing the Executive Directors to make provision for long-term retirement benefits. These are comparable with similar roles in similar companies. A Pension scheme has been set-up post period end where by Executive Directors receive 3% per cent of their base salary. There is no performance criteria associated with receiving this benefit.

Non-Executive Directors
Non-executive directors each receive a market rate basic fee, subject to time commitment requirements, for holding the office of non-executive director which is set by the board as a whole.

Share performance
During the period the Company's shares were unquoted, however, they were successfully admitted to trading on the Standard Segment of the London Stock Exchange in January 2022. As such, the Company has not reported on its share performance for the period to 31 December 2021.

Voting at General Meeting
The Company is yet to hold its first Annual General Meeting which must be held within six months of the year end. A notice of the Annual General Meeting will be issued to shareholders in due course.

Annual Report on directors' remuneration

Executive Directors (audited)
The remuneration of the executive directors for the period ended 31 December 2021 was as shown in the table below:

REMUNERATION AND NOMINATION COMMITTEE REPORT

	31 December 2021					
	Directors' fees	Bonus	Taxable benefits	Pension benefits	Options issued	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Eric Leire	148,017	-	-	-	-	148,017
	148,017	**-**	**-**	**-**	**-**	**148,017**

The Company has not presented the annual percentage change in the amount paid to the CEO due to there be no comparable information available.

Non-Executive Directors (audited)
The basic fee for the non-executive directors for 2021 is £30,000.

The remuneration of the non-executive directors for the period ended 31 December 2021 was as shown in the table below:

	31 December 2021					
	Directors' fees	Bonus	Taxable benefits	Pension benefits	Options issued	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Yassine Bendiabdallah	18,424	-	-	-	-	18,424
	18,424	**-**	**-**	**-**	**-**	**18,424**

Payments made to past Directors (audited)
No payments were made during 2020.

Statement of Directors' shareholding and share interests (audited)
The tables below set out the Directors' interests (including those of their connected persons) in Genflow Biosciences Plc shares as at 31 December 2021.

Executive Directors

	Shares owned outright
Eric Leire [(1)]	120,000,000

(1) Eric indirectly holds a further 150,360 Ordinary Shares by way of his wife's shareholding.

There were no changes in the Executive Directors' interests between the period end and the date of this report.

Non-Executive Directors

	Shares owned outright
Yassine Bendiabdallah	-

As at the date of this report, Non-executive Directors' interests were as follows;

	Shares owned outright
Yassine Bendiabdallah	362,500
Andrew Scott	300,000
Gabrielle Silver	562,500
Peter King-Lewis	300,000

Group spend on pay
During the period, the Group's administration expenses totalled £938,096 of which 17.7% represented remuneration paid to Directors of the Company.

The year ahead
The Committee was formed on 17 January 2022 and has been charged by the Board to ensure that the Group's pay and benefits practices are competitive, able to attract high calibre people and to ensure those people are suitably incentivised to perform and remain with the Group over the long term. The Committee hold its first review in 2022 to ensure that remuneration

throughout the business is still structured appropriately to incentivise performance and reward behaviour in the spirit of ownership throughout the organisation.

The Committee and I are focused on ensuring that reward at the Company continues to be closely aligned with the delivery of long-term shareholder value.

This report was approved by the Board on 28 April 2022.

Yassine Bendiabdallah
Chairman of the Remuneration Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENFLOW BIOSCIENCES PLC

Independent Auditor's Report to the Members of Genflow Biosciences Plc

Opinion

We have audited the financial statements of Genflow Biosciences Plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2021 which comprise the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Shareholders' Equity, the Consolidated and Parent Company Cash Flow Statements 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 UK-adopted international accounting standards 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 December 2021 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of 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 public interest 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 director's 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 obtaining management's assessment of going concern and associated cashflow forecasts for a period of more than 12 months from the date of approval of the financial statements. We reviewed the assessment and made enquiries of management to confirm key assumptions made and drivers of the assessment. We evaluated the inputs to the cashflow forecast for reasonableness, including the capital raise from the initial public offering, and ongoing forecast expenditure. The proceeds from the initial public offering have been used as the basis for the going concern assumption as they are expected to cover working capital for the going concern period.

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 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.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit. This is reviewed accordingly during fieldwork and completion dependent on adjustments made during the audit.

The group was audited to a level of materiality for the financial statements as a whole of £36,000, a benchmark calculated using 5% of the draft loss before tax of the group. This is the first period in which the parent company and group has existed in its current form. We consider the loss before tax to be the most significant determinant of the group's financial position and performance used by shareholders and investors for the current period, with the significant balances in the period being the administrative expenditure and loss for the period.

The performance materiality applied at the group level was £25,200 and we have reported misstatements during our audit work above £1,800, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The group performance materiality was set by us so as to ensure sufficient coverage of the key balances.

The materiality applied to the parent company was £32,000 being 5% of the draft loss before tax, with performance materiality applied of £22,400.

No component auditors were used and both subsidiaries were audited by the group audit team. Genflow Biosciences srl was audited to a materiality of £20,000 being 5% of the draft loss before tax, with performance materiality applied of £14,000. Genflow Biosciences Inc was audited to a materiality of £10,000 being a proportion of the group's loss, with performance materiality applied of £17,000. We agreed with the audit committee that we would report any individual audit difference in excess of £1,000 and £500 for Genflow Biosciences srl and Genflow Biosciences Inc respectively, as well as differences below this threshold that, in our review, warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, including the accounting for the acquisitions in the period and the carrying value of investments in subsidiaries. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The audit of the parent company and subsidiaries was performed in London by PKF Littlejohn LLP, using a team with specific experience of auditing acquisitions and publicly listed entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Accounting for the acquisition of Genflow Biosciences Inc and Genflow Biosciences srl	
During the period, the Company acquired two subsidiaries, namely Genflow Biosciences Inc and Genflow Biosciences Srl. **There was a risk that the acquisition was not accounted for in accordance with IFRS. Under IFRS, if the acquisition is considered to be under common control, then IFRS 3 does not necessarily apply and merger accounting can be used. If this is not the case, IFRS 3 will apply and the Company will have to fair value the assets acquired.** **Management's assessment was that the acquisition was under common control and merger accounting was applied (Note 17).**	We have obtained and reviewed management's assessment and accounting workpapers for the transaction. Our work included the following: • Reviewing the share exchange agreements and related documents to ensure the terms of the acquisitions have been accurately assessed by management in forming their opinion of the accounting treatment; • Critically assessing the accounting entries for the deemed acquisition cost, comprising the consideration shares along with the assets and liabilities of the acquired entity at the date of acquisition; • Reperforming the consolidation and acquisition adjustments; and • Reviewing the disclosures relating to the acquisitions in the financial statements. From our work, we agreed with management's assessment that the acquisition felt outside of the scope of IFRS as it was an acquisition under common control. We reviewed the merger accounting workpapers and confirmed the treatment was in line with the underlying transaction.

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 group and parent company 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 period 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 and the part of the directors' remuneration report to be audited 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 statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company 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.

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size.

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:

    - Main Market Listing Rules;
    - The Companies Act 2006; o UK Employment law;
    - The Prospectus Directive;
    - Anti Bribery Legislation;
    - Market Abuse Directive;
    - Financial Services and Market Act;
    - Disclosure and Transparency Rules;
    - Belgium and US law and company reporting requirements; and
    - Local tax and employment law.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management and local management for the subsidiaries;
    - Review of Board minutes; and
    - Review of accounting ledgers.

    These procedures were carried out for all entities within the group to ensure no instances of non-compliance within the parent company or any of its subsidiaries.

- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: testing over all journals on a risk based approach to identify any unusual transactions that could be indicative of fraud; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing transactions through the bank statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations.

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

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

Other matters which we are required to address

We were appointed by the directors of the parent company on 21 January 2022 to audit the financial statements for the period ending 31 December 2021 and subsequent financial periods. This is our first period as auditors of the Company.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Prior to our appointment as auditors, we were engaged as reporting accountants for the Company's initial public offering and listing on to the Standard Segment of the London Stock Exchange. No reliance was placed on our work as reporting accountants during the audit.

Our audit opinion is consistent with the additional report to the audit committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENFLOW BIOSCIENCES PLC

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.

Eric Hindson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 April 2022

GENFLOW BIOSCIENCES PLC

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

Group and Company
Company number 13138531

	Note	2021 £	2021 £
		Group	**Company**
Non-Current Assets			
Investments	10	**-**	**68,131**
Total non-current assets		**-**	**68,131**
Current Assets			
Trade and other receivables	11	**52,547**	**48,542**
Cash and cash equivalents	12	**224,004**	**166,566**
Total current assets		**276,551**	**215,108**
Total Assets		**276,551**	**283,239**
Current Liabilities			
Trade and other payables	13	**221,427**	**191,512**
Total Liabilities		**221,427**	**191,512**
Net Assets		**55,124**	**91,727**
Equity attributable to owners of the Parent			
Share capital	15	**73,371**	**73,371**
Share premium	15	**633,765**	**633,765**
Other reserves	16	**156,183**	**-**
Retained earnings		**(808,195)**	**(615,409)**
Total Equity		**55,124**	**91,727**

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. During the period ended 31 December 2021, the Company made a loss for the period of £795,409.

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2022 and were signed on its behalf by:

Eric Leire
Chief Executive Officer

The Notes from page 35 form part of these financial statements

GENFLOW BIOSCIENCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Period ended 31 December 2021

	Note	Period ended 31 December 2021 £
		Group
Continuing Operations		
Administration expenses	6	**(938,096)**
Other losses	11	**(50,000)**
Operating Loss		**(988,096)**
Net finance income/(costs)		**(99)**
Loss before Taxation		**(988,195)**
Income tax	9	**-**
Loss for the period from continuing operations		**(988,195)**
Loss attributable to:		
- owners of the Parent		**(988,195)**
		(988,195)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations		**(14,065)**
Total Comprehensive Income		**(1,002,260)**
Attributable to:		
- owners of the Parent		**(1,002,260)**
Total Comprehensive Income from continuing operations		**(1,002,260)**
Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & Diluted	18	**(0.593)**

The Notes from page 35 form part of these financial statements.

GENFLOW BIOSCIENCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the period ended 31 December 2021

		Attributable to Equity Shareholders- Group				
		Share capital	Share premium	Other reserves	Retained losses	Total equity
		£	£	£	£	£
As at 18 January 2021		**-**	**-**	-	-	-
Loss for the period		-	-	-	(988,195)	(988,195)
Other comprehensive income						
Exchange differences on translating foreign operations		-	-	(14,065)	-	(14,065)
Total comprehensive income for the period		**-**	**-**	(14,065)	(988,195)	(1,002,260)
Transactions with owners						
Issue of ordinary shares	15	27,597	859,539	-	-	887,136
Issue of bonus shares	15	45,774	(45,774)	-	-	-
Capital reduction	15	-	(180,000)	-	180,000	-
Merger of entity under common control	17	-	-	170,248	-	170,248
Total transactions with owners		**73,371**	**633,765**	**170,248**	**180,000**	**1,057,348**
As at 31 December 2021		**73,371**	**633,765**	**156,183**	**(808,195)**	**55,124**

The Notes from page 35 form part of these financial statements.

GENFLOW BIOSCIENCES PLC

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the period ended 31 December 2021

		Attributable to Equity Shareholders- Company			
		Share capital	**Share premium**	**Retained losses**	**Total equity**
		£	**£**	**£**	**£**
As at 18 January 2021		**-**	**-**	-	-
Loss for the period		-	-	(795,409)	(795,409)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**-**	**-**	(795,409)	(795,409)
Transactions with owners					
Issue of ordinary shares	15	27,597	859,539	-	887,136
Issue of bonus shares	15	45,774	(45,774)	-	-
Capital reduction	15	-	(180,000)	180,000	-
Total transactions with owners		**73,371**	**633,765**	**180,000**	**887,136**
As at 31 December 2021		**73,371**	**633,765**	**(615,409)**	**91,727**

The Notes from page 35 form part of these financial statements.

GENFLOW BIOSCIENCES PLC

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS
For the period ended 31 December 2021

	Note	2021 £	2021 £
		Group	**Company**
Cash flows from operating activities			
Loss after taxation		**(988,195)**	**(795,409)**
Adjustments for:			
Share based payments		**18,960**	**18,960**
Impairment of receivables	11	**50,000**	**50,000**
Net finance income		**99**	**-**
Increase in trade and other receivables	11	**(49,668)**	**(45,663)**
Increase in trade and other payables	13	**221,427**	**191,512**
Net cash used in operating activities		**(747,377)**	**(580,600)**
Cash flows from investing activities			
Cash acquired through business combinations	17	**198,502**	**-**
Loans granted to subsidiaries		**-**	**(42,950)**
Net cash used in investing activities		**198,502**	**(42,950)**
Cash flows from financing activities			
Proceeds from issue of shares	15	**783,711**	**783,711**
Proceeds from borrowings		**-**	**6,405**
Net cash generated from financing activities		**783,711**	**790,116**
Net increase in cash and cash equivalents		**224,004**	**166,566**
Cash and cash equivalents at beginning of period		**-**	**-**
Cash and cash equivalents at end of period	12	**224,004**	**166,566**
Non-cash investing and financing activities		**(18,960)**	**(18,960)**
Consultancy fees settle in shares		**-**	**(11,203)**
Shares issued to settle a subsidiary commitment		**-**	**(20,383)**
Acquisition of subsidiary for share consideration			

The Notes from page 35 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2021

ACCOUNTING POLICIES

1. General Information

The principal activity of Genflow Biosciences Plc ("the Company") and its subsidiaries (together "the Group") is the research and development of gene therapy targeting the upstream biology of ageing.

The Company is incorporated and domiciled in the United Kingdom. The Company was incorporated on 18 January 2021 and commenced trading on this date. The Company changed its name from Genflow Biosciences Ltd to Genflow Biosciences Plc on 2 August 2021 as part of the Company's re-registration to a Plc.

As part of the Company's re-registration to a Plc the Company carried out a capital reduction by reducing its share premium Account from £206,094.90 to £26,094.90, with the difference of £180,000 being taken to retaining earnings.

On 10 November 2021, the Company changed its accounting reference date to 31 December to align its year end with the other entities within the Group.

The address of its registered office is Suite 1, 15 Ingestre Place, London, W1F 0DU.

2. Summary of Significant Accounting Policies

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

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company, which comprise the balance sheet and related notes, are prepared in accordance with Part 15 of the Companies Act 2006, which applies to companies generally.

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the United Kingdom applicable to companies under IFRS. The Group financial statements have been prepared under the historical cost convention.

The financial statements are presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2021

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 December 2021 but did not result in any material changes to the financial statements of the Group or Company.

b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 16 (Amendments)	Property, plant, and equipment	*1 January 2022
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current.	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IAS 37 (Amendments)	Provisions, contingent liabilities and contingent assets	*1 January 2022
IAS 8 (Amendments)	Accounting estimates	1 January 2023

* *Subject to endorsement*

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on future Group financial statements.

2.3 Basis of Consolidation

The Group financial statements consolidate the financial statements of Genflow Biosciences Plc and the financial statements of all of its subsidiary undertakings made up to 31 December 2021.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where an entity does not have returns, the Group's power over the investee is assessed as to whether control is held. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies merger accounting to account for the acquisition of subsidiaries under common control. The consideration transferred for the acquisition of a subsidiary is equal to the assets transferred without any restatement to fair value, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The difference that arises on consolidation is deducted from, or added to, reserves.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Investments in subsidiaries are accounted for at cost less impairment.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated.

Where considered appropriate, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.4 Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Report from page 3. In addition, Note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and details of its exposure to credit and liquidity risk.

Although the Group's assets are not generating revenue streams, an operating loss has been reported and an operating loss is expected in the 12 months to 31 December 2022, the Directors believe that the Group will have sufficient funds to meet its immediate working capital requirements and undertake its targeted operating activities over the next 12 months from the date of approval of these financial statements. Following Admission, the Company received net proceeds of £3,451,516 from the issuance of 47,036,500 Ordinary Shares. Since admission and post period end, the Group has received notification that it had been awarded a non-dilutive research grant award of up to €3.375m from the regional government of Wallonia in southern Belgium. Management hope to use the funds to expedite certain phases of its planned research and development. Management has prepared forecast covering 18 month post-year end and believe that current cash reserves will adequately cover the working capital requirements of the Group in addition to meeting research and development commitments.

As such, the Directors have a reasonable expectation that the Group has and will have future access to adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and financial statements.

2.5 Segment Reporting

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

Segment results, include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

2.6 Foreign Currencies

(a) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Company is Sterling, the

functional currency of the US subsidiary is US Dollars and the functional currency of the Belgian subsidiary is Euros. The financial statements are presented in Pounds Sterling, rounded to the nearest pound.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. 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 Income Statement.

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income where material.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

2.7 Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use;
- Management intends to complete the asset and use or sell it;
- There is an ability to use or sell the asset;
- It can be demonstrated how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the asset include the product development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.8 Financial Assets

(a) Classification

The Group classifies its financial assets in the following categories: at amortised cost including trade receivables and other financial assets at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(b) Recognition and measurement

Amortised cost
Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade and other receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

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

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

(c) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(d) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.9 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.11 Taxation

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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

There has been no tax credit or expense for the period relating to current or deferred tax.

2.12 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Reserves

Share Premium – the reserve for shares issued above the nominal value. This also includes the cost of share issues that occurred during the period.

Retained Earnings – the retained earnings reserve includes all current and prior periods retained profit and losses.

Merger Reserve – represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries.

Foreign Currency Translation Reserve - represents the translation differences arising from translating the financial statement items from functional currency to presentational currency.

2.14 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 15).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

2.15 Share Based Payments

The Group does not operate any equity-settled share-based schemes.

In the case of shares and warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable the shares are valued by reference to the market price and the warrants are valued by reference to the fair value of the warrants granted as described previously.

2.16 Operating Leases

Leases of assets under which the short-term exemption under IFRS 16 has been taken and which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement on a straight-line basis over the period of the respective leases. During the period the Group has one lease agreement in place on a one-month rolling basis, which is exempt from disclosure under IFRS 16.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks being market risk (including, interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market Risk

(a) Foreign currency risks

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro against the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Parent Company sends funds to the operating subsidiary to fund research and development and is at risk of being exposed to unfavourable exchange rates. The Company mitigates this risk by buying Euros when exchange rates are favourable and holding them in a designated foreign currency account. The Company only issues loan funding to the subsidiary in Euros. The Group negotiates all material contracts for activities in relation to its subsidiary in Euros. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

(b) Interest rate risk

As the Group has no borrowings, it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit, which is not significant.

Credit Risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. The Group does not currently generate sales and any receivable balances are granted after careful assessment by Management to ensure there is a high chance of recoverability. Management does not expect any losses from non-performance of these receivables.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Liquidity Risk

The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed. Post period end, the Company raised gross proceeds of £3.7m which will fund the Group for the next 12 months. See note 2.4 for further details on going concern and liquidity.

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and to enable the Group to continue its research and development activities. The Group has no debt at 31 December 2021 and defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

4. Critical Accounting Estimates and Judgements

The preparation of the Group financial statements in conformity with IFRSs requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results may vary from the estimates used to produce these financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant items subject to such estimates and assumptions are as follows;

Research and development
IAS 38 Intangible Assets requires management to differentiate between research and the development phase of R&D activities and their related costs. In accordance with IAS 38, an intangible asset arising from development shall be recognised if, and only, if, an entity can demonstrate certain criteria. The Board continually monitor its activities against the prescribed criteria to determine the point in which the Group would enter the development phase of its activities. The entity is currently in the phases of formulation, design and evaluation of its product and therefore management are confident that the entity is in the research phase. As a result, any expenditure arising from R&D activities are expensed in the Statement of Comprehensive Income.

Business combinations
Management were required to exercise judgement when accounting for the acquisition of Genflow Biosciences Inc to determine whether it was outside of the scope of IFRS 3 Business Combinations. In accordance with IFRS, acquisitions under common control fall outside of the scope of IFRS 3 and should be accounted for under merger accounting rules. Management were required to assess the criteria of 'common control' and concluded that the transaction fell under this category. The key to this judgement was that the acquisition did not impact non-controlling shareholders of the receiving company, as their shares in Genflow Biosciences Inc were exchanged for shares in Genflow Biosciences Plc.

5. Segmental Information

As at 31 December 2021, the Group operates in two geographical areas, the UK and Belgium. The Parent Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in Belgium relate to research and development. The US entity is dormant. The reports used by the chief operating decision maker are based on these geographical segments.

2021	Belgium £	UK £	Total £
Administrative expenses	(192,687)	(745,409)	(938,096)
Other losses	-	(50,000)	(50,000)
Loss from operations per reportable segment	(192,687)	(795,409)	(988,096)
Additions to non-current assets			
Reportable segment assets	61,443	215,108	276,551
Reportable segment liabilities	29,915	191,512	221,427

6. Expenses by Nature

	Group 2021 £
Directors' fees (note 8)	166,441
Fees payable to the Company's auditors for the audit of the Parent Company and group financial statements	42,500
Fees paid or payable to the Company's auditor and its associates for due diligence and transactional services	50,050
Professional, legal and consulting fees	386,325
PR and marketing	138,933
Accounting related services	2,980
Insurance	4,340
Office and administrative expenses	3,531
IT and software services	27,199
Travel and entertainment	6,668
Research and development costs	86,044
Share based payments	18,960
Other expenses	4,125
Total administrative expenses	**938,096**

7. Employees

The average monthly number of employees, including Directors, during the period was 2 (Company - 2). See Note 8 for details of remuneration paid to Directors serving during the period.

8. Directors' Remuneration

	For the period ended 31 December 2021			
	Short term benefits £	Post-Employment benefits £	Share based payment £	Total £
Executive Directors				
Eric Leire	148,017	-	-	**148,017**
Non-executive Directors				
Yassine Bendiabdallah	18,424	-	-	**18,424**
	166,441	-	-	**166,441**

9. Taxation

	Group	Company
Tax recognised in profit or loss	**2021**	**2021**
	£	**£**
Current tax	-	-
Deferred tax	-	-
Total tax charge in the Statement Of Comprehensive Income	**-**	**-**

The tax on the Group's loss differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

Group	**2021**
	£
Loss before tax	(988,195)
Tax at the weighted average rate of 20.4% (Company: 19%)	(201,592)
Expenditure not deductible for tax purposes	27,127
Net tax effect of losses carried forward on which no deferred tax asset is recognised	174,465
Income tax for the period	-

No charge to taxation arises due to the losses incurred.

The weighted average applicable tax rate of 20.4% used is a combination of the 19% standard rate of corporation tax in the UK and 25% Belgian corporation tax.

The Group has accumulated tax losses of approximately £174,000 (Company - £125,000) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilized.

10. Investment in Subsidiary Undertakings

	Company
	2021
	£
Shares in subsidiary undertakings	
At beginning of the period	**-**
Additions to investments	20,383
Loans receivable	47,748
Disposals	-
At period end	**68,131**

On 1st April 2021, the Company acquired 100% of the equity interest in Genflow Biosciences Inc. and its subsidiary Genflow Biosciences SRL by way of a share for share exchange agreement. Further details included in note 17 'Business Combinations'. During the period, £54,153 was loaned by the Company to Genflow Biosciences Srl and £6,405 was repaid. The amount owing at the period end is in respect of working capital and is not expected to be repaid. As such, it forms part of the amount invested into Genflow Biosciences SRL by the Company.

Investments in Group undertakings are stated at cost less impairment.

Details of subsidiaries at 31 December 2021 are as follows:

Name of subsidiary	Country of incorporation	Share capital held by Group	Share capital held by Company	Principal activities	Registered office address
Genflow Biosciences Inc.	United States	£20,383	100%	Dormant	Harvard Square, One Miffin Place #400, Cambridge, MA 02138
Genflow Biosciences SRL	Belgium	£1,608	100%	Research and development	Rue Auguste Piccard 48 6041 Gosselies

11. Trade and Other Receivables

	Group	Company
	2021	2021
	£	£
VAT receivable	16,016	12,900
Prepayments	32,808	32,808
Other receivables	3,723	2,834
	52,547	**48,542**

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above. These assets, excluding prepayments, are the only form of financial asset within the Group, together with cash and cash equivalents.

Included within other receivables is £2,834 owed in relation to shares subscribed for and issued in the period. Unpaid share capital of £50,000 has been impaired during the year. The remaining amount is deemed to be recoverable within 12 months of the period end.

The carrying amounts of the Group‘s trade and other receivables are denominated in the following currencies:

	Group	Company
	2021	2021
	£	£
UK Pounds	48,542	48,542
Euros	3,116	-
US Dollars	889	-
Current receivables	**52,547**	**48,542**

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. All trade and other receivables are considered fully recoverable and performing.

12. Cash and Cash Equivalents

	Group	Company
	2021	2021
	£	£
Cash at bank and in hand	**224,004**	**166,566**

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group	Company
	2021	2021
	£	£
UK Pounds	148,646	148,646
Euros	57,438	-
US Dollars	8,358	8,358
Australian Dollars	9,562	9,562
	224,004	**166,566**

13. Trade and Other Payables

	Group	Company
	2021	2021
	£	£
Trade payables	37,686	25,351
Other payables	13,325	3,295
Accrued expenses	170,416	162,866
	221,427	**191,512**

All trade and other payables are due for payment within twelve months of the period end. Trade payables are settled within normal commercial terms, usually between 30-60 days.

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Group	Company
	2021	2021
	£	£
UK Pounds	191,521	191,512
Euros	29,906	-
	221,427	**191,521**

14. Financial Instruments by Category

Group – 31 December 2021 Assets per Statement of Financial Position	At amortised cost	Total
Trade and other receivables (excluding prepayments)	19,739	19,739
Cash and cash equivalents	224,004	224,004
Total	**243,788**	**243,788**
Liabilities per Statement of Financial Position		
Trade and other payables (excluding accruals)	(51,011)	(51,011)
Total	**(51,011)**	**(51,011)**

Company – 31 December 2021 Assets per Statement of Financial Position	At amortised cost	Total
Trade and other receivables (excluding prepayments)	15,734	15,734
Cash and cash equivalents	166,566	166,566
Total	**182,300**	**182,300**
Liabilities per Statement of Financial Position		
Trade and other payables (excluding accruals)	(28,646)	(28,646)
Total	**(28,646)**	**(28,646)**

15. Share Capital and Share Premium

Issued share capital

Company	Number of shares	Ordinary shares £	Share premium £	Total £
Issued and fully paid				
Issued on incorporation	100	1	-	1
Issue of new shares – 25 March 2021	6,312,500	630	251,869	252,499
Issue of new shares – 1 April 2021	203,833,878	20,383	-	20,383
Issue of new shares – 2 June 2021	18,724,000	1,872	407,938	409,810
Issue of bonus shares on a 2:1 basis – 13 July 2021	457,740,956	45,774	(45,774)	-
Consolidation of share capital – 13 July 2021	(457,740,956)	-	-	-
Capital reduction – 13 July 2021	-	-	(180,000)	(180,000)
Issue of Ordinary Shares – 9 November 2021	15,699,640	4,711	199,732	204,443
At 31 December 2021	**244,570,118**	**73,371**	**633,765**	**707,136**

On 25 March 2021, the Company issued and allotted 6,312,500 new Ordinary Shares at a price of 4 pence per share for gross proceeds of £252,500.

On 1st April 2021, the Company issued 203,833,878 new Ordinary Shares at nominal value of £0.0001 as consideration for the acquisition for the entire share capital of Genflow Biosciences Inc.

On 2 June 2021 the Company issued 9,750,000 new ordinary shares of £0.0001 at a subscription price of 4 pence per share raising a total of £390,000. On the same day, the Company issued and allotted 8,500,00 new Ordinary Shares at nominal value and 474,000 new Ordinary Shares at a price of 4 pence per share in lieu of fees totalling £18,960.

On 3 July 2021 the Company reregistered from a Limited Company to a Public Limited Company. As part of the reregistration, the following capital restructure took place;

- Bonus shares were issued and allotted to shareholders at a rate of 2 bonus shares for each 1 ordinary share held. The bonus shares were allotted at a cost to the share premium account of £45,774.10. This resulted in the Company's share capital amounting to an aggregate nominal value of £68,661.14, which would satisfy the Authorised Minimum requirement for Re-Registration.;
- The Company undertook a share consolidation of shares in the Company at a ratio of 3:1 resulting in the number of Ordinary Shares being consolidated back to 228,870,478 and the nominal value of each Ordinary Share increased from £0.0001 to £0.0003; and
- The Company reduced its share premium account by £180,000 from £206,094.90 to £26,094.90 to ensure that the Company's net assets were not less than the aggregate of its called-up share capital and undistributable reserves as at Re-Registration.

On 9 November 2021, the Company issued and allotted 4,750,000 new Ordinary Shares at a price of 4 pence per share for gross proceeds of £190,000. On the same day, the Company issued and allotted 10,949,640 new Ordinary Shares at nominal value for gross proceeds of £3,284.89.

16. Other reserves

Group	Foreign currency translation differences	Merger reserve	Total
	£	£	£
At 17 January 2021	**-**	**-**	**-**
Currency translation differences	14,065	-	14,065
Acquisition of subsidiaries	-	170,248	170,248
As at 31 December 2021	**14,065**	**170,248**	**156,183**

17. Business Combinations

On 1st April 2021, the Company acquired 100% of the equity interest in Genflow Biosciences Inc. and its subsidiary Genflow Biosciences SRL by way of a share for share exchange agreement. The Company acquired all of the 33,972,313 issued and outstanding shares of Genflow Biosciences Inc held by its shareholders on a one for six basis in exchange for 203,833,878 ordinary shares of £0.0001 in the Company. The total value of the consideration transferred was £20,383 and no costs related to the acquisition were incurred.

The Company was set-up for the sole purpose of acquiring Genflow Biosciences US Inc and its subsidiary, and is jointly controlled by two parties. The same two parties are deemed to have control of the Company prior to the acquisition and as such, the transaction is deemed to have taken place under common control. The acquisition has been accounted for under merger accounting and no goodwill has been recognised on consolidation.

The following table summarises the consideration paid for Genflow Biosciences US Inc and the values of the assets and equity assumed at the acquisition date;

	£
Total consideration	**20,383**
Recognised assets and liabilities acquired:	
Cash and cash equivalents	198,502
Trade and other receivables	6,952
Trade and other payables	(14,822)
Total identifiable net assets	**190,631**
Merger reserve	**170,248**

18. Earnings per Share

The calculation of the total basic loss per share of 0.593 pence is based on the loss attributable to equity owners of the group of £988,195 and on the weighted average number of ordinary shares of 166,669,960 In issue during the period.

In accordance with IAS 33, basic and diluted earnings per share are identical as the effect of the exercise of share options or warrants would be to decrease the loss per share.

19. Commitments

During the period, Genflow Biosiences Srl entered into various collaboration agreements which contain commitments and milestone payments, as follows;

- IVEX Labs; €50,000 payable following completion of cloning of mouse Sirt6 and human SIRT6 (both wild-type and centenarian variants) into AAV2 (“Task 1”). A final payment of €50,000 on completion of all the research, receipt of reports for Tasks 1-2, a final report and other deliverables due.
- CSZBio; €10,240 payable per month over two years from June 2021.
- St Anne’s University Hospital in Brno – International Clinical Research Centre; €102,505 due following completion of In Vitro tests and a further €7,885 due on completion of all research, receipt of reports for In Vitro and In Vivo test, a final report and other deliverables due.

20. Related Party Transactions

Group
On 1st April 2021, the Company acquired Genflow Biosciences Inc. The transaction took place in the form of a 'share for share' arrangement with the previous shareholders of the Company. The shares were exchanged on a one for six basis as outlined in note 17.

During the period 20,000,000 shares were issued to Eric Leire in Genflow Biosciences Srl. These shares were exchanged for 120,000,000 shares in the Company after the share for share exchange agreement was executed.

During the period 50,000 shares were issued to both Andrew Scott and Guy Charles Fanneau de la Horie in Genflow Biosciences Srl. Andrew Scott and Guy Charles Fanneau de la Horie are Directors of Genflow Biosciences Inc,. These shares were exchanged for 300,000 shares each in the Company after the share for share exchange agreement was executed.

During the period £23,303 was invoiced to the Company and Genflow Biosciences Srl. by Prof. Andrew Scott for consultancy services. Prof. Andrew Scott is a Director of Genflow Biosciences Inc.

Company
During the period £47,512 was invoiced to the Company by Westend Corporate LLP for consultancy services. Westend Corporate LLP is an entity in which a former Company Director, Garth Palmer, was a partner during the period.

During the period the Company, loaned Genflow Biosciences Srl £54,153 and £6,405 was repaid. As at the period end, Genflow Biosciences Srl owed the Company £47,748 and this amount has been included in trade and other receivables.

Directors remuneration has been disclosed in note 8.

21. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

22. Events after the Reporting Date

On 17 January 2022, the Company was admitted to the standard segment of the Official List. The Company issued 47,036,500 Ordinary Shares to raise £3.7 million before expenses.

On 16 March 2022, the Company received notification that it had been awarded an non-dilutive research grant award of up to €3.375m from the regional government of Wallonia in southern Belgium.