Company Registration Number – 13279507

Poolbeg Pharma plc

Annual Report & Accounts 2021

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Poolbeg Pharma plc

Strategic Report: Chairman's Statement

Dear Shareholder,

I am pleased to present the annual report and consolidated financial statements of Poolbeg Pharma plc ("Poolbeg" or the "Company") for the period ended 31 December 2021. The inaugural publication of this report follows the spin-out from Open Orphan plc and the subsequent listing on the AIM market of the London Stock Exchange in July 2021.

The financial results comprise the results for the period from incorporation on 19 March 2021 to 31 December 2021.

Poolbeg's Focus

Poolbeg is a clinical stage infectious disease pharmaceutical company with a unique capital light model which is looking to develop multiple products faster and more cost effectively than the conventional biotech model. Poolbeg is targeting the growing infectious disease market, and in the wake of the COVID-19 pandemic, infectious disease is becoming one of the fastest growing markets with an expected value of c. $250 billion by 2025.

The Company aims to bring products through a value inflection point by generating early human efficacy data before rapidly monetising through partnerships and licensing deals with pharma and biotech. Poolbeg's model aims to significantly reduce spend and risk compared to the conventional biotech model and allows multiple opportunities for monetisation through its broad portfolio. The model also enhances investor returns as the out-licensing revenues will be reinvested into the pipeline of additional assets which in turn, can be further monetised rapidly and as such, substantially extending the runway from the original £25m raised at IPO.

Given our origins as a spin-out from Open Orphan plc, which is now a world leading infectious disease and respiratory disease focussed CRO, we have access on a contracted basis to certain scientific team members within Open Orphan and its subsidiaries hVIVO and Venn Life Sciences. These experts have unparalleled experience in infectious and respiratory disease product development, few biotech's could replicate such valuable relationships and knowledge base.

Pipeline Update

I am very happy to report that the Company has made substantial progress since its IPO in July 2021. During this period, we have rapidly added several infectious disease products to our portfolio and we continue to explore a range of other exciting opportunities in the rapidly growing infectious disease market.

Poolbeg continues to progress POLB 001 towards an upcoming clinical trial due to commence in June 2022 with human data expected later this year and hopefully early monetisation thereafter. The current pipeline of products and platforms corresponds to our capital light model with the goal of rapidly generating early human efficacy data, and positioning our products for early out-licensing or partnerships with pharma and biotech:

- **POLB 001** – a p38 MAP Kinase inhibitor for the treatment of severe Influenza, is on track to commence a LPS human challenge study in June 2022. During this study, healthy volunteers' immune systems will be stimulated with bacterial lipopolysaccharide (LPS) in a safe and controlled clinical environment which will provide key human data on the efficacy of POLB 001 in dampening the immune response proving its potential efficacy in treating patients with severe Influenza.

- **POLB 002** – in-licensed first-in-class, intranasally administered, RNA-based immunotherapy for respiratory virus infections. It achieves its therapeutic effect by both preventing the virus from replicating as well as by provoking elements of the immune system responsible for fighting viral infections.
- **POLB 003** – option to licence and evaluate an intramuscular vaccine to prevent Melioidosis, a disease predominately found in tropical and sub-tropical regions, and five additional bacterial vaccine candidates.
- **Oral Vaccine Delivery Platform** – licensed access to micro- and nanoencapsulation technology which we will use to develop an oral vaccine delivery platform – delivering immune stimulating antigens to specific areas of the gut with the objective of activating protective 'mucosal immunity' to prevent pathogens from infecting the body.
- **Artificial Intelligence Powered Drug Programme** - In February 2022 the Company signed its first Artificial Intelligence (AI) deal with OneThree Biotech Inc. to identify new treatments for Respiratory Syncytial Virus (RSV) through analysis of Poolbeg's unique human challenge trial data and OneThree's clinically validated biology driven platform.
- **Additional Opportunities** – continue to identify and conduct diligence on numerous new innovative infectious disease products to add to the pipeline, leveraging the expertise and network of our management team and Scientific Advisory Board. In addition, we continue to evaluate further AI partnerships.

Corporate & Financial

Poolbeg is well capitalised with a strong cash balance of £20.9m at period end, following the completion of our £23.2m (after expenses) fundraise in July 2021. The loss for the period amounted to £2.3m which included the initial non-recurring costs of establishing the group.

Our POLB 001 clinical development programme aligns with our cost-efficient objectives and we are exploring similarly efficient development plans for our newly in-licensed products and platforms with the objective to rapidly progress these assets through the clinic to attain early human efficacy data.

We successfully expanded our pipeline in 2021 and early 2022 and we have significant financial resources to maintain our capital light approach to support our pipeline expansion and development. The Company continues to evaluate new in-licensing and partnership opportunities and we are evaluating opportunities for non-dilutive grant funding to support the development of our pipeline.

The Scientific Advisory Board was strengthened in November 2021 with the appointment of Professor Daniel Hoft joining Professor Luke O'Neill and Dr Elaine Sullivan.

Outlook

We are exceptionally confident for the prospects of Poolbeg for the coming 12 months and beyond and we are delighted to share our intentions to dual list on the OTC market in the US in Q2 2022 to provide additional liquidity to the stock. This is a market that is proving to be attractive for London listed life sciences companies to generate additional liquidity.

Since IPO, we have developed an excellent pipeline of assets and we will generate value through developing these assets and any further assets that we will add in the future. Given our extensive network of relationships and contacts, we are in continuous engagement and discussion with pharma and biotech companies around the potential to monetise our portfolio including worldwide out-licensing or alternatively out-licensing individual territories. Upon receipt of human data from our POLB 001 clinical trial in H2 2022, we will look to monetise this asset to pharma and biotech companies. We also expect the preliminary outputs from the RSV Artificial Intelligence Discovery

Programme in H2 2022. We continue to identify and conduct diligence on new assets to add to the pipeline. Our experienced team is currently reviewing interesting and innovative in-licensing, collaboration and acquisition opportunities.

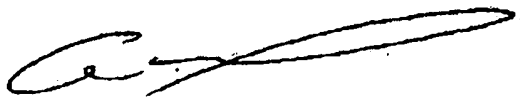
We have a strong cash position with £20.9m as at period end and have efficiently managed costs while we continue to evaluate opportunities for non-dilutive grant funding to support the development of the pipeline. Post-pandemic, infectious diseases is one of the hottest, most important sectors of the pharmaceutical industry because for 30 years, there has been significant underinvestment by Big pharma and governments around the world in this sector. It is clear that to avoid future pandemics, significant investment will flow into the infectious disease market with many pharma and biotechs now actively looking to acquire early-stage infectious disease products to restock their depleted infectious disease pipelines. This market is expected to be valued at c. $250bn by 2025. We continue to position Poolbeg firmly at the cutting edge of global R&D and we are well placed to capitalise on this in the months and years ahead.

We are aware of the headwinds faced by the entire biotech industry in Q1-2022 as a significant sell off has coincided with investors revising capital allocation strategies as central banks seek to raise interest rates to tackle growing inflation. Despite these challenges, I encourage shareholders to bear with us while we continue to build out the company and rapidly achieve the goals set out at IPO and in turn generate substantial returns for investors.

As Poolbeg's largest shareholder, I remain excited by Poolbeg's ambition to commence monetisation of its assets within 12-18 months. We continue to engage with pharma and biotech companies regarding potential out-licensing opportunities and work towards building the Company's value in a similar manner to that achieved in past ventures.

We have made excellent operational and strategic progress with Poolbeg to date and we look forward to updating the market on further progress as we continue to successfully develop the business.

Cathal Friel
Chairman
2 March 2022



Strategic Report: CEO's Operations Review

Poolbeg's Unique Business Model

Poolbeg Pharma is a clinical stage infectious disease pharmaceutical company with a capital light model which is developing multiple products faster and more cost effectively than the conventional biotech model. We are targeting the growing infectious disease market. In the wake of the COVID-19 pandemic, infectious disease has become one of the fastest growing markets with an expected value of $250 billion by 2025.

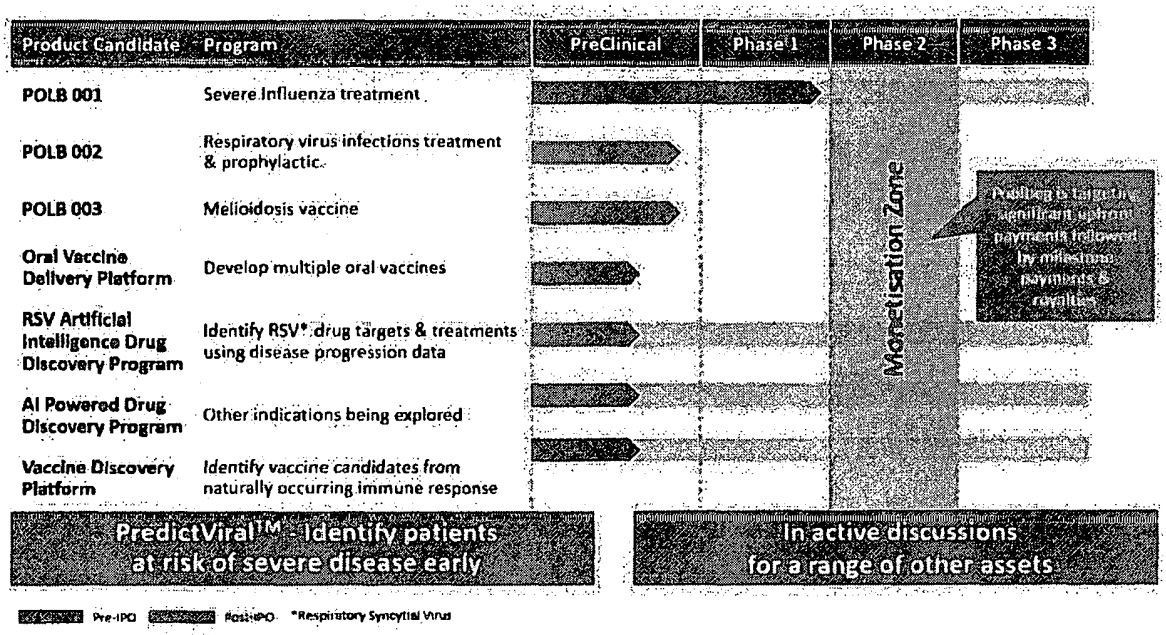
The Company aims to bring products through a value inflection point by generating early human efficacy data before rapidly monetising to pharma and biotech. Poolbeg's model aims to significantly reduce spend and risk compared to the conventional biotech model and allows multiple opportunities for monetisation through its broad portfolio of assets. The model also compounds investor returns as the internally generated funds from monetisation can be further reinvested into the pipeline which in turn, can be further monetised rapidly which should create significant shareholder value from the £25m raised at IPO.

We are actively developing our pipeline of infectious disease assets in line with our capital light model – growing multiple products faster and more cost effectively than the conventional biotech model. POLB 001, a treatment for severe Influenza is expected to commence a clinical challenge study in June 2022. We have also successfully in-licensed several additional assets using consideration structures weighted towards downstream contingent milestone payments which only become payable upon future success. We continue to engage with multiple parties regarding further in-licensing opportunities and continue to seek additional assets to create an extensive pipeline of infectious disease programs, utilising a "multiple shots on goal" approach. We continue to evaluate opportunities for non-dilutive grant funding to support the development of Poolbeg's pipeline and in addition a key selection criteria in relation to additional assets is the potential to secure non-dilutive funding.

Poolbeg is led by a highly successful management team that has completed three IPOs within the sector, and has subsequently developed rapidly growing, revenue generating businesses. Our experienced team has built approximately $1 billion in value in pharmaceutical and biotechnology companies. A network of world-leading infectious disease experts with backgrounds in immunology and virology has been assembled to advise on the development of existing products and identify additional assets.

Pipeline Development

Since completing the spin-out from Open Orphan plc we have added several families of infectious disease assets to the portfolio and below is an overview of our current pipeline which has increased substantially in the months post IPO.



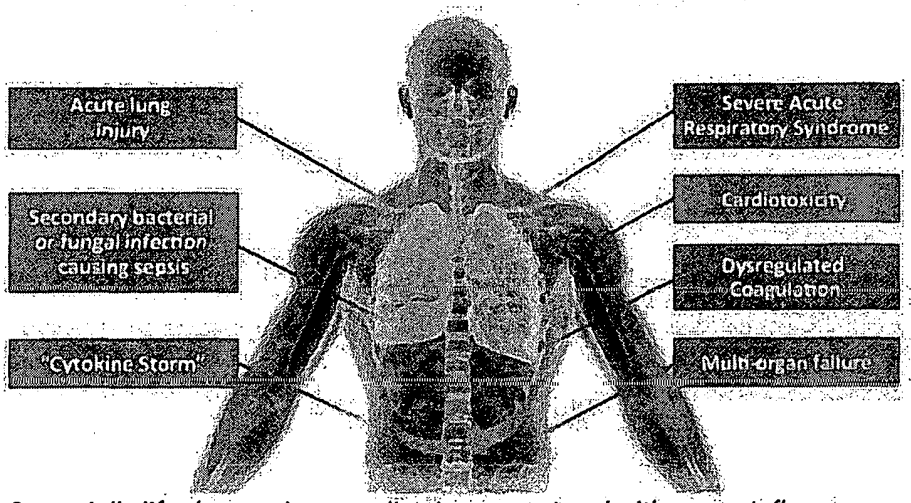
POLB 001

- A p38 MAP Kinase inhibitor for the treatment of severe Influenza, which is progressing well and is on target to begin an LPS human challenge study in June of 2022.

- POLB 001 selectively inhibits overwhelming inflammation caused by viral infections, such as Influenza, while leaving the necessary immune functions intact to fight the infection. This contrasts with other immunomodulatory approaches, such as steroids, which affect both healthy and damaging immune responses. By inhibiting p38 MAPK, POLB 001 can reduce the expression of tissue-damaging cytokines such as IL-6 and TNFα. POLB 001 has already been shown to be safe and well tolerated in a Phase 1 clinical trial and has demonstrated the potential to block cytokine expression in circulating immune cells in treated subjects.

- POLB 001, which was licensed to Poolbeg from hVIVO (part of Open Orphan plc), benefits from insights generated by the team at hVIVO who, through their work on the progression of infectious disease, have a deep understanding of the immune-response patterns of severe Influenza. Unlike other lab-based approaches to discovery, POLB 001 is rooted in in *vivo* human 'Proof of Concept' data driven by hVIVO's proprietary Pathomics™ engine that we expect to have a significant effect on the drug's likelihood of clinical success when compared against conventional approaches to drug discovery.

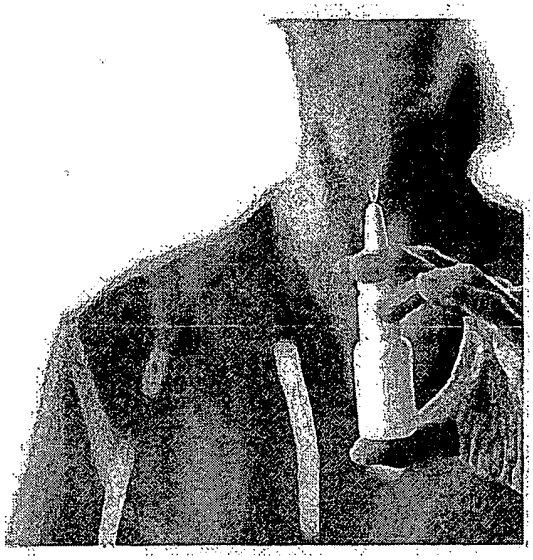
- In line with timings shared at IPO, POLB 001 is scheduled to enter the clinic in June 2022 in a LPS human challenge study. During this study, healthy volunteers' immune systems will be stimulated with bacterial lipopolysaccharide in a safe and controlled clinical environment. The study will provide key human data on the efficacy of POLB 001 in dampening the immune response in otherwise healthy volunteers. It will use LPS to simulate the effects of treating severe Influenza in the volunteers without the virus itself being present. In cases of severe Influenza, the body produces an over-heightened immune response that can cause more tissue and organ damage to the body than the virus itself. POLB 001's mode of action is to reduce this hyper-immune response and accelerating recovery. Results from the LPS study are expected in H2 2022.



Potentially life-threatening complications associated with severe Influenza

POLB 002

- A first-in-class, intranasally administered, RNA-based immunotherapy for respiratory virus infections. This dual antiviral prophylactic and therapeutic candidate is at a late-pre-clinical development stage and was in-licensed from the University of Warwick. It works by triggering nasal cells into an antiviral state to protect against the infecting virus. Simultaneously, it blocks the cells from making more virus by directly preventing its replication. Both modes of actions combined can reduce infectious viral loads and improve disease symptoms. In vivo data confirms that this immunotherapy asset targets pan-respiratory virus infections, which could include Influenza, Respiratory Syncytial virus (RSV), SARS-CoV-2 and others.



- We are seeing a lot of interest globally by pharmaceutical companies, Governments and the public alike to find an easily administered and distributed product which can prevent and treat a variety of respiratory virus infections rather than specifically one alone. We feel this product has excellent potential and look forward to progressing it through the clinic with the aim of early monetisation.

POLB 003

- We have an option to licence an intramuscular vaccine from University College Dublin ("UCD") for the prevention of Melioidosis, a disease which to date has no available vaccine and is a dangerous and underappreciated threat to human health with a very high mortality rate (54%). Melioidosis, also known as Whitmore's disease, is predominately found in tropical and sub-tropical regions and is caused by the bacterium *Burkholderia pseudomallei*, which is commonly found in the soil and on the surfaces of groundwater. Infected people show diverse clinical presentations including pneumonia and severe sepsis with multiple organ abscesses.

- Incidence of the disease is widespread in South-East Asia, Northern Australia and India, with climate change having a substantial impact on the spread of the disease to new areas such as Brazil and concerns growing about further spread to non-tropical areas as global temperatures rise.

- Through an extensive characterisation of the protein structures present on the bacteria's surface, the team at UCD identified a homologue of the common OmpW bacterial antigen specific to this strain, called BpOmpW. Preclinical studies using this antigen showed significant survival benefit in animal models when challenged with the bacteria.

- The candidate was discovered and developed at UCD and is derived from many years of research by their team. We are also performing diligence on 5 additional bacterial vaccine candidates that the UCD team has identified with a view to potentially in-licensing for further development.

Oral Vaccine Delivery Platform

- In January 2022, Poolbeg completed a licensing deal to AnaBio Technologies' micro and nanoencapsulation technology which we will use to develop an oral vaccine delivery platform – delivering immune stimulating antigens to specific areas of the gut with the objective of activating protective 'mucosal immunity' which prevents pathogens from infecting the body. Microencapsulation is key to delivering drugs to the gut by protecting it from the harsh environment of the gastrointestinal tract. It results in prolonged absorption profiles and helps to ensure the right dose of a product is absorbed by the body. Preliminary data has shown that this platform may enhance the uptake of antigens to specific gastro-intestinal cells. This technology may be used to protect and deliver a wide range of drugs including molecules such as proteins, peptides, DNA and RNA and generate a protective immune response.

- The COVID-19 pandemic has accelerated demand for innovation in the development of vaccines, and oral vaccines offer many advantages such as ease of distribution and administration. We have seen recently that oral vaccines and antivirals are of significant interest to Big Pharma and governments globally and we look forward to developing this platform further. A benefit of this platform is that it can be implemented across a number of disease indications.

Intellectual Property

Poolbeg files patents in key global territories to protect its early-stage product pipeline and continually reviews opportunities for IP expansion in relation to its products. During the period, £81,000 of costs were capitalised in relation to patent applications and granted trademarks. Poolbeg continuously

assesses its patent portfolio and maintains an active vigilance program to identify instances where a third party may be infringing on its intellectual property.

POLB 001 has a strong IP position based on two families of patent applications to protect the use of POLB 001, and indeed the use of p38 MAPK inhibitors more generally, in the treatment of severe Influenza until 2037 ("Immunomodulators I") and in combination with an antiviral until 2038 ("Immunomodulators II"). The Immunomodulators I family of patents include a granted patent in Europe and further pending patents in the EU, the US and other major markets such as Japan and China. In September 2021, the United States Patent & Trademark Office (USPTO) issued a Notice of Allowance with respect to filings made there and the full granting of a patent is expected in the near future. This means that there is ample opportunity for POLB 001 to generate substantial long-term value over the next 16 years and, indeed, this length of patent should be attractive to prospective acquirors / in-licensors of POLB 001. The 'Immunomodulators II' family of patents continue to progress through the examination process in multiple jurisdictions. Poolbeg has also expanded protection related to the PredictViral™ product family which protect the use of particular biomarkers that are associated with disease severity.

It is not unusual in the pharmaceutical industry for patents to be challenged and Poolbeg was recently made aware that a third party has raised an objection with the European Patent Office (EPO) in relation to one of its patents, EP3478322. Based on specialist advice received, and the fact that the patent went through an extensive examination process prior to being granted by the EPO, Poolbeg continues to have full confidence in the validity and strength of the patent which will expire in 2037 and will vigorously defend its intellectual property to the extent required.

Artificial Intelligence Powered Drug Programme

Our AI powered drug discovery programme accelerated in Q1-2022 through the completion of a Research Collaboration agreement with OneThree Biotech Inc. ("OneThree"). OneThree will seek to identify novel disease pathways and drug candidates for Respiratory Syncytial Virus (RSV) through analysis of Poolbeg's unique human challenge trial data and OneThree's clinically validated biology driven platform.

OneThree Biotech's state-of-the-art AI analysis tools will identify drug assets which target immune-response pathways, have a higher probability of clinical success and have the potential to prevent and / or treat infectious diseases. The analysis will prioritise drugs with existing Phase I safety data, reducing spend and risk, which can feed into Poolbeg's rapid, capital light development strategy and its expanding pipeline of assets.

We believe that this is the first time that AI analysis has been undertaken on RSV human challenge trial data and samples to identify new drug targets. The unique nature of human challenge trials to produce disease progression data with high precision is expected to revolutionise the insights generated from this analysis. We are excited about the potential of the programme to support our goal to identify drug candidates. POLB 001 was identified using such disease progression data, however, by utilising AI we aim to identify more targets, quicker and more cost efficiently than previously possible without this technology.

Jeremy Skillington
CEO
2 March 2022

Strategic Report: Principal Risks and Uncertainties

The Group is subject to a range of risk factors relating to the business and its operations in the biotechnology/pharmaceutical industry. Poolbeg's success is rooted in its ability to identify and de-risk products in the infectious disease space and to develop these products to the point of out-licensing. To effectively manage the principal operational risks affecting the Group, the Board of Directors meet regularly to review the operational progress of the Group against its strategy and key objectives. In addition, the senior management team meets weekly to review the operational progress of all key projects, and to identify and discuss all key issues and risks.

The following table summarises the principal risks and uncertainties of the Group:

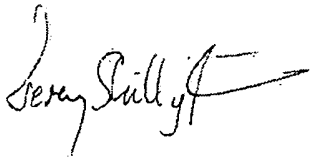
Risk	Details	Mitigation
Organisational Risk	Poolbeg's future success is dependent on the experience and skills of the executive Directors and senior management to successfully execute its strategy. The loss of key contributors would present a risk to the business. Finding and hiring any additional personnel and replacements could be a costly and time consuming process, particularly in the biotechnology/pharmaceutical industry.	The Board believes that the senior management team is appropriately structured for the Group's size and is not overly dependent upon any particular individual. Poolbeg has entered into contractual arrangements with these individuals with the aim of securing the services of each of them. Staffing levels, notice periods and contingent arrangements are kept under regular review to ensure that they are appropriate to maintain business continuity. Remuneration packages and staff rewards are reviewed to encourage the long-term maintenance of staff and to align incentivisation with company objectives.
Competition Risk	The biotechnology and pharmaceutical industries are very competitive. Poolbeg's competitors include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources, such as larger research and development staff. Poolbeg's competitors may succeed in developing, acquiring or licensing drug product candidates that are earlier to market, more effective or less costly than any product candidate which Poolbeg is currently developing or which it may develop and this may have a material adverse impact on the Poolbeg.	Poolbeg seeks to develop its products to ensure they are competitive and monitors its intellectual property rights to identify and protect against any infringements. Poolbeg's selection criteria for products includes potential for non-dilutive funding, identifying areas of unmet medical need, market opportunity, and the ability and complexity of rapidly producing early human efficacy data including through the use of challenge studies.
Development Risk	Poolbeg has a number of drug candidates in various stages of clinical and pre-clinical development. Our management team understand that a high incidence of delay or failure to produce valuable scientific results will not support Poolbeg's strategy. Clinical trials can be expensive, time consuming and difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier pre-clinical studies and clinical trials may not be predictive of results of future pre-clinical studies or clinical trials.	Poolbeg's approach of smart trial design and a focus on in-licensing products where we can quickly produce early human efficacy data helps to mitigate this risk. As a spin-out from Open Orphan plc, the world leader in the testing of vaccines and antivirals using human challenge studies. Poolbeg has gained from the knowledge and expertise in Open Orphan plc which helps us mitigate this development risk, and this expertise helps support the advancement of Poolbeg's pipeline of assets.
Regulatory Risk	The regulatory approval processes of the EMA, FDA, MHRA and other comparable	The Board and management team have a broad network of industry contacts who help

Strategic Report: Principal Risks and Uncertainties

	regulatory agencies may be lengthy, time-consuming and the outcome is unpredictable. Poolbeg's future success is dependent upon its ability to rapidly develop and out-license its product candidates. In addition, positive human efficacy data does not guarantee that a product will be out-licensed by Poolbeg.	ensure that best industry practices are observed in all our trials and all legal compliance is up to date and in order. The Board reviews the out-licensing potential of all products Poolbeg has brought into its pipeline and is confident that with positive human efficacy, a market exists to out-license its products.
Intellectual Property Risk	If the Group is unable to obtain, maintain, defend or enforce the intellectual property rights covering its products, third parties may be able to make, dispose (or offer to dispose) of, use, import or keep products that would otherwise infringe the Group's patents and which would materially adversely affect the Group's ability to compete in the market. Patent protection is important for Poolbeg's competitive position in its planned product lines and a failure to obtain or retain adequate protection could have a material adverse effect on the Group's business, prospects, financial condition and/or results of operations.	To the extent possible, the Group monitors competing products. The Group engages external advisors to maintain and manage its IP portfolio and ,where appropriate, to ensure that its business IP rights are safeguarded in all of the territories in which it operates. The Group also looks to maintain its propriety rights when entering into contractual relationships.
Funding Risk	Developing pharmaceutical products requires significant funding to bring the product to the point of monetisation. Poolbeg may need to raise additional funding to undertake development work and bring our products to the point of monetisation. There is also no certainty that it will be possible to raise any additional funds at all or on acceptable terms. Debt financing, may place restrictions on the financial operating activities of the Group and if Poolbeg is unable to obtain additional financing, it may be required to reduce the scope of its operation	Poolbeg will avoid expensive, later-stage trials by seeking early monetisation, through licensing or partnering, which it expects should generate quicker returns than the conventional biotech model. Using a capital-light approach, Poolbeg's clinical development strategy is to rapidly demonstrate clinical proof-of-mechanism and/or proof-of-concept. Poolbeg will also seek to reposition products with existing positive clinical safety data, further reducing the requirement for additional spend on clinical trials. Additionally, Poolbeg are actively exploring routes for non-dilutive grant funding to support the development of its pipeline.
COVID-19 Risk	The outbreak of future strains of SARS-CoV-2 could adversely impact our business, including executing of our preclinical studies and clinical trials	The Board continue to monitor the impact of the COVID-19 pandemic on all aspects of the Group; most notably the safety of our employees and the impact on the development of our pipeline. The ultimate impact of COVID-19 on the Group is regularly reviewed and our management team ensure that all operational and clinical plans are designed and reviewed with sufficient flexibility to allow for any future disruptions.

The Strategic Report on pages 5 to 11 was approved by the board on 2 March and signed on its behalf by:

Jeremy Skillington
CEO



Poolbeg Pharma plc

Board of Directors

Cathal Friel, Chairman

Cathal Friel is a successful entrepreneur, whom started working at the age of 16 due to his father's untimely illness. He went on to complete his education by taking night classes, receiving an MBA from the University of Ulster in 1990. Cathal then spent the following five years lecturing International Marketing and Business Planning at the University of Ulster on a part-time basis while running his own technology services business. In 2001, Cathal was part of the team who successfully established Merrion Stockbrokers in Dublin and in 2007 he founded Raglan Capital.

Cathal is the Executive Chairman and Co-Founder of Open Orphan plc which successfully IPO'd on the London and Dublin stock exchanges in June 2019. Prior to this in 2015, he co-founded Amryt Pharma plc, along with Joe Wiley, which listed on the London Stock Exchange in 2016 and which has been listed on Nasdaq since July 2020. Prior to Amryt, Cathal founded Fastnet Oil & Gas plc in 2011 which he IPO'd on the London Stock Exchange. Cathal was a finalist in the International category of the EY Entrepreneur of the Year 2020.

Jeremy Skillington, Chief Executive Officer

Jeremy Skillington began his biotechnology career in the Business Development group of Genentech, Inc in California in 2002. At Genentech he was responsible for executing over 40 licensing, investment and collaboration transactions. Returning to Ireland in 2009, Jeremy led Business Development and was a member of the Senior Management team at Opsona Therapeutics Ltd before becoming a founder and CEO of immuno-oncology company TriMod Therapeutics Ltd. In 2014 Jeremy joined German investment fund HS Lifesciences GmbH to provide start-up and business development support to portfolio companies ImmunoQure AG and Ethris GmbH.

Jeremy joined Inflazome on its founding in 2016 and was instrumental in their acquisition by Roche in September 2020 for €380M (£325M) upfront and significant downstream milestones. Jeremy studied Biochemistry at the National University of Ireland, Galway where he was awarded his Ph.D. He performed his post-doctoral research at the University of California, San Francisco in the lab of Prof Rik Derynck.

Ian O'Connell, Chief Financial Officer

Ian O'Connell is an experienced financial professional with a depth of healthcare and public markets experience. In 2017 he co-founded Open Orphan plc, was made a Board Observer and as VP Corporate Development, he led the acquisition of hVIVO plc and the reverse takeover (RTO) of Venn Life Sciences plc. As a member of the core senior management team, Ian helped drive the company to its position today as a world leader in the testing of infectious and respiratory disease products using human challenge studies.

Prior to this, Ian worked closely with Cathal Friel and Amryt's senior management on the establishment of Amryt Pharma plc. Ian gained Corporate Finance experience at both Raglan Capital and Deloitte Corporate Finance. Ian has a BSc (Hons) in Finance from University College Cork and is a Member of Chartered Accountants Ireland.

Board of Directors

Patrick Ashe, Non-Executive Director

Patrick Ashe has a career spanning 30 years as a business executive and entrepreneur in the pharmaceutical and biotechnology industry. He spent 16 years with Elan Corporation plc and served as Vice President of Business Development in its US division from 1994 – 2001. He was subsequently a co-founder and led the business and corporate development functions of specialty pharma companies Athpharma (2001-2004) and AGI Therapeutics plc (2004 – 2011), and the orphan disease company Vidara Therapeutics (2011 – 2014).

Following the sale of Vidara to Horizon Therapeutics plc in 2014, Patrick became Senior Vice President of Business Development of Horizon, a role he held until his retirement in 2016. Patrick has served as a board director for a number of private and public companies. Patrick holds a BSc (Hon) in Pharmacology from University College Dublin and an MBA from Dublin City University Business School.

Eddie Gibson, Non-Executive Director

Eddie Gibson is a seasoned biopharma leader. Eddie has a strong commercial track record of launch and general management in both pharmaceuticals and biotechs with over 25 years' experience leading biopharma organisations with experience working across multiple geographies and senior roles within the industry. Eddie has personally led many major European launches and also led the creation and implementation of global access plans in a wide range of therapy areas including oncology, haematology, virology, neuroscience, cardiovascular disease and diabetes.

As founder of Wickenstones, a pharma market access consultancy, Eddie has led diverse teams to develop and deliver complex plans for market access and has been instrumental in the facilitation of plans to deliver new pharmaceuticals to the global market. Eddie also acts as an advisor and NED to both biotech start-ups and as an advisor to the Korean Health Development Initiative – a government advisory committee designed to accelerate the biotech and pharmaceutical industries in South Korea.

Professor Luke O'Neill, Non-Executive Director

Luke O'Neill is Professor of Biochemistry in the School of Biochemistry and Immunology, Trinity Biomedical Sciences Institute at Trinity College Dublin, Ireland. He is a world expert on innate immunity and inflammation. His main research interests include Toll-like receptors, Inflammasomes and Immunometabolism. He is listed by Thompson Reuters/ Clarivates in the top 1% of immunologists in the world, based on citations per paper. Professor O'Neill is co-founder of Sitryx, which aims to develop new medicines for inflammatory diseases. Another company he co-founded, Inflazome was recently acquired by Roche.

Luke was awarded the Royal Dublin Society / Irish Times Boyle Medal for scientific excellence, the Royal Irish Academy Gold Medal for Life Sciences, The Society for Leukocyte Biology (SLB) Dolph O. Adams award, the European Federation of Immunology Societies Medal and in 2018 the Milstein Award of the International Cytokine and Interferon Society. Luke is a member of the Royal Irish Academy, EMBO (European Molecular Biology Organisation) and a Fellow of the Royal Society.

Corporate Governance Statement

S172 Statement

The Directors are required by Section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its shareholders. In doing so, the Directors must have regards, amongst other matters, to the following:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relations with suppliers, customers and others;
- the impact of the Group's actions on the community and the environment;
- the Group's reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

Engagement with the Company's major stakeholders is detailed in the Corporate Governance Statement, the Group Directors' Report and the Company website.

Compliance Statement

The Directors recognise the value and the importance of high standards of corporate governance and, given the Group's size and the constitution of the Board, have decided to apply the recommendations of the Corporate Governance Code, published by the Quoted Companies Alliance in April 2018 ("QCA Code").

The Board has established high standards of corporate governance since its inception and agrees that Poolbeg's success is enhanced by the imposition of a strong corporate governance framework. Accordingly, in recognition of the need to maintain continued best practice the Board actively monitors its composition and skills balance to ensure we uphold the ten principles outlined in the QCA Code, so far as practicable and having regard to the size and nature of the Company's business. Further details on how the Company applies the QCA Code are detailed on the Corporate Governance section of the Company's website: (https://www.poolbegpharma.com/investors/corporate-governance/).

Board Composition and Independence

The Board meets at least five times a year to review, formulate and approve the Group's strategy, budgets and corporate actions and oversee the Group's progress towards its goals. A higher number of meetings were held in the current period due to the activity around the IPO process. The Board has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

The Board consists of the Chairman, two Executive Directors, and three Non-Executive Directors. The Company regards three of the Non-Executive Directors as "independent Non-Executive Director". The Board has determined that Patrick Ashe, Edward Gibson and Professor Luke O'Neill are independent in character and judgement and that there are no relationships or circumstances which could materially affect or interfere with the exercise of their independent judgement. The Board believes this combination of Executive and Non-Executive Directors allows it to exercise objectivity in decision making and proper control of the Group's business and that this composition is appropriate in view of the size and requirements of the Group's business. However, the Board will continue to monitor the composition and balance of the Board.

Audit Committee

The Audit Committee comprises Patrick Ashe as chairman with Cathal Friel and Edward Gibson as the other members and meets at least twice a year. The principal duties of the Audit Committee are to

review the half-yearly and annual financial statements before their submission to the Board and to consider any matters raised by the auditors. The Audit Committee also reviews the independence and objectivity of the auditors.

The terms of reference of the Audit Committee reflect current best practice, including authority to:

- recommend the appointment, re-appointment and removal of the external auditors; and
- ensure the objectivity and independence of the auditors including occasions when non-audit services are provided.

The Audit Committee may seek information from any employee of the Group and obtain external professional advice at the expense of the Group if considered necessary. Due to the relatively low number of personnel employed within the Group, the nature of the business and the current control and review systems in place, the Board has decided not to establish a separate internal audit department.

Remuneration Committee

The Company has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director is involved in deciding their own remuneration.

The Remuneration Committee comprises Edward Gibson as chairman with Patrick Ashe and Cathal Friel as the other members. The Remuneration Committee considers the employment and performance of individual Executive Directors and determines their terms of service and remuneration. It also has authority to grant options as part of overall remuneration packages. The Committee intends to meet at least twice a year.

Meetings and attendance

The directors' attendance at Board and Committee meetings during the period is shown below:

Director	Full Board	Audit Committee	Remuneration Committee
Cathal Friel	11/11	—	—
Jeremy Skillington	3/3	—	—
Ian O'Connell	11/11	—	—
Patrick Ashe	2/3	—	—
Eddie Gibson	2/3	—	—
Luke O'Neill	2/3	—	—
Total meetings held in the period	11	—	—

Cathal Friel was appointed as a director on 19 March 2021 and Ian O'Connell was appointed as a director on 20 May 2021. All other directors were appointed on the date of admission to AIM on 19 July 2021. The directors appointed on admission participated in a number of Board meetings held in the period up to their appointment, these meetings included discussions around the establishment of the Audit Committee and the Remuneration Committee. The first Audit and Remuneration committee meetings were held in February 2022.

Scientific Advisory Board

Poolbeg has established an exceptional Scientific Advisory Board including Professor Luke O'Neill, Dr. Elaine Sullivan and Professor Daniel F. Hoft, whose deep-rooted experience in infectious disease

provides Poolbeg with invaluable insights and expertise in continuing to evaluate new assets and in the rapid development of our existing product pipeline.

Internal Control and Risk Management

The Board has ultimate responsibility for risk management and the internal control procedures maintained. The procedures in place are designed to manage rather than eliminate risk of failure to achieve Company objectives and can only provide reasonable assurance against material misstatement or loss. Principal Risks and Uncertainties are discussed in the Strategic Report and financial risk management objectives and policies are outlined in note 16 of the financial statements.

Communications with Shareholders

The Board views the Company's annual report and accounts as well as its half year report as key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to Shareholders. In addition, the Board uses the AGM as a primary mechanism to engage with Shareholders, both to give information and receive feedback about the Company and its progress. The 2022 AGM will be held on 4 April 2022 and a Notice of Annual General Meeting can be found enclosed with this report.

The Chairman, the Chief Executive Officer and the Chief Financial Officer undertake meetings with key Shareholders and analysts following publication of full and half year results in order to answer questions and ensure that the key messages are properly understood and effectively communicated onward.

Group Directors' Report

For the period from incorporation on 19 March 2021 to 31 December 2021

The Directors of Poolbeg Pharma plc (the "Company") present their report and the Financial Statements of the Company and its subsidiary undertakings (together the "Group" or "Poolbeg") for the period from incorporation on 19 March 2021 to 31 December 2021. The Company is registered in England and Wales, having been incorporated as a private company limited by shares with the name ORPH Pharma Limited on 19 March 2021 with registered number 13279507. The Company was renamed Poolbeg Pharma Limited on 8 June 2021 and was re-registered as a public limited company with the name Poolbeg Pharma plc on 23 June 2021.

Principal Activities

The principal activity of the Group is the research and development of vaccines and treatments for infectious diseases. The Group has a unique capital light model which aims to develop multiple products faster and more cost effectively than the conventional biotech model with plans to rapidly monetise its products to pharmaceutical and biotechnology companies. Details of the research and development activity during the period and planned future activity are included in the Strategic Report.

Results and Dividends

The results for the period are set out on pages 29 to 35 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend.

Directors

The Directors who served on the Board during the period and to the date of this report are as follows:

Director	Capacity	Appointment Date
Cathal Friel	Chairman	19 March 2021
Jeremy Skillington	Chief Executive Officer	19 July 2021
Ian O'Connell	Chief Financial Officer	20 May 2021
Patrick Ashe	Non-Executive Director	19 July 2021
Eddie Gibson	Non-Executive Director	19 July 2021
Luke O'Neill	Non-Executive Director	19 July 2021

Biographical details of Poolbeg's Directors are shown on pages 12 to 13.

All new directors appointed by ordinary resolution since the previous AGM are required to seek election at the next AGM and one third of the other directors (or if the number is not a multiple of three, this shall be rounded down to the nearest whole number) retire annually in rotation in accordance with the Company's articles of association. If there are only two directors subject to retirement by rotation at least one of them shall retire.

At the 2022 AGM, Jeremy Skillington, Patrick Ashe, Eddie Gibson and Luke O'Neill, all being directors appointed since the previous AGM offer themselves for re-election. Cathal Friel retires by rotation and being eligible to do so seeks re-appointment at the 2022 AGM.

Salim Hamir served as the Company Secretary from the date of his appointment on 16 June 2021.

Group Directors' Report

For the period from incorporation on 19 March 2021 to 31 December 2021

Directors' Remuneration

The remuneration of Directors for the period ended 31 December 2021 was as follows:

Director	Base Salary and Fees £'000	Bonuses £'000	Pension Contributions £'000	Other Benefits £'000	Other Fees £'000	2021 Total £'000
Cathal Friel	50	29	—	—	—	**79**
Jeremy Skillington	208	36	15	2	—	**261**
Ian O'Connell	121	42	8	1	—	**172**
Patrick Ashe	18	—	—	—	—	**18**
Eddie Gibson	18	—	—	—	—	**18**
Luke O'Neill [A]	13	—	—	—	8	**21**
2021 TOTAL	**428**	**107**	**23**	**3**	**8**	**569**

[A] Other fees relate to his role on the Scientific Advisory Board

Base salaries are reviewed annually, with the levels of increases for Executive Directors taking account of the performance of the Group, individual performance, additional responsibilities and external indicators such as inflation and industry comparatives. Overall long-term incentives are also reviewed annually to ensure that the Executive Directors incentives are aligned with the long-term strategic goals of the Group.

The annual base salary and fees, which applied in 2021 and will apply in 2022, for Directors are set out below:

Director	Base Salary and Fees £'000
Cathal Friel	100
Jeremy Skillington	250
Ian O'Connell	145
Patrick Ashe [A]	35
Eddie Gibson [A]	35
Luke O'Neill [B]	40
TOTAL	**605**

[A] Includes a fee of £10,000 for being chair of a Board committee

[B] Includes a fee of £15,000 for his role on the Scientific Advisory Board

The Remuneration Committee, in discussion with the Executive Directors, review annual performance at the end of each calendar year. The Chairman, CEO and CFO may be eligible for annual bonuses of up to 50% of base salary, at the Company's absolute discretion.

Group Directors' Report

For the period from incorporation on 19 March 2021 to 31 December 2021

Directors and their Interests

Interest in ordinary shares of 0.02p

The Directors of the Company held the following interest in the ordinary shares of Poolbeg Pharma plc:

Director	31 December 2021 Number	31 December 2021 %
Cathal Friel	36,389,757	7.28
Jeremy Skillington	—	—
Ian O'Connell	8,326,839	1.67
Patrick Ashe	263,147	0.05
Eddie Gibson	—	—
Luke O'Neill	—	—

Share options and warrants

The Directors of the Company held the following share option and warrants of Poolbeg Pharma plc:

Director	Type	31 December 2021 Number	Exercise price	Grant Date	Expiry Date
Cathal Friel [A]	Warrants	240,681	£0.10	13/07/2021	18/07/2026
Cathal Friel [B]	Share Options	3,500,000	£0.10	13/07/2021	12/07/2031
Cathal Friel [C]	Share Options	3,500,000	£0.15	13/07/2021	12/07/2031
Cathal Friel [D]	Share Options	3,500,000	£0.15	13/07/2021	12/07/2031
Jeremy Skillington [B]	Share Options	5,000,000	£0.10	13/07/2021	12/07/2031
Jeremy Skillington [C]	Share Options	5,000,000	£0.15	13/07/2021	12/07/2031
Jeremy Skillington [D]	Share Options	5,000,000	£0.15	13/07/2021	12/07/2031
Ian O'Connell [B]	Share Options	3,500,000	£0.10	13/07/2021	12/07/2031
Ian O'Connell [C]	Share Options	3,500,000	£0.15	13/07/2021	12/07/2031
Ian O'Connell [D]	Share Options	3,500,000	£0.15	13/07/2021	12/07/2031
		36,240,681			

[A] issued to warrant holders of Open Orphan plc who participated in the Venn Life Sciences loan note financing in December 2018

[B] The closing share price must be at least £0.10 for five consecutive business days when exercised. The optionholder must be employed by the Group on the 12 month anniversary of AIM admission and cannot have given or received notice of termination of employment on or before such date

[C] The closing share price must be at least £0.15 for five consecutive business days when exercised. The optionholder must be employed by the Group on the 18 month anniversary of AIM admission and cannot have given or received notice of termination of employment on or before such date

[D] The closing share price must be at least £0.20 for five consecutive business days when exercised. The optionholder must be employed by the Group on the 24 month anniversary of AIM admission and cannot have given or received notice of termination of employment on or before such date

Share Capital Structure

The Company's ordinary shares of 0.02p are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: POLB.L, ISIN: GB00BKPG7Z60). At the date of this report, 500,000,000 ordinary shares of 0.02p each were in issue. Details of share issues and changes to the capital structure during the period are set out in note 12.

Group Directors' Report

For the period from incorporation on 19 March 2021 to 31 December 2021

Substantial Shareholdings

The Company is aware that the following had an interest of 3% or more in the issued ordinary share capital of the Company:

Rank	Investor	31 December 2021 Number	31 December 2021 %
1	Cathal Friel	36,389,757	7.28
2	Schroder Investment Management	22,500,000	4.50

There were no notified changes in these holdings in the period after period-end to the date of signing the financial statements.

Qualifying Indemnity Provision

The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however, in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Going Concern

During the period, the ongoing COVID-19 pandemic caused uncertainty across global markets. Throughout the period from incorporation of the Company, the Group operated a work model that facilitated remote working options for employees. The Company successfully completed an IPO and raised £25m before costs while operating under these conditions and suffered limited disruptions as a result of the pandemic. Suppliers and key stakeholders have all made adjustments to minimise disruptions and to facilitate the continued efficient running of their businesses and the Company does not foresee any significant problems in relation to its operations in the coming year as it moves POLB 001 towards an LPS human challenge clinical trial.

After making appropriate enquires, the Directors consider that the Company and the Group has adequate resources to continue in business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements. As part of their enquires the Directors reviewed budgets, projected cash flows, and other relevant information for 12 months from the date of approval of the Consolidated Financial Statements for the period ended 31 December 2021.

The Board's strategy is to develop multiple products faster and more cost effectively than the conventional biotech model and to move to rapidly monetise its products to larger pharmaceutical and biotechnology companies. The Group's forecasts and projections reflect the Directors' plans for the coming year and include spend in relation to a LPS challenge study for POLB 001, ongoing research spend in relation to POLB 002 and POLB 003 in order to move them towards the clinic and additional spend on the asset pipeline including advancing the Group's AI data powered drug programme and Oral Vaccine Delivery Platform. The Group performs sensitivity analysis on its projected cashflows and when performing these sensitivities it takes into account reasonable changes in market conditions.

The Group's forecasts, taking into account reasonably possible changes as described above, show that the Group will be able to operate and have significant financial headroom for the 12 months from the date of approval of the Consolidated Financial Statements for the period ended 31 December 2021.

Group Directors' Report

For the period from incorporation on 19 March 2021 to 31 December 2021

Political Donations

The Group made no political donations during the period.

ESG Responsibility

The Board of Poolbeg recognises the importance of environmental, social and governance matters and aims to consider the differing interests of the Group's stakeholders, including its investors, employees, suppliers and business partners, when operating its business.

Events after the Reporting Period

Events after the reporting period are set out in note 18 to the Financial Statements. Likely future developments in the business are discussed in the Strategic Report.

Auditors

The Board are recommending Jeffreys Henry Audit Ltd for re-appointment as auditor of the Company. Jeffreys Henry Audit Ltd have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

Disclosure of Information to the Auditors

The Directors confirm that: (a) they have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information and (b) so far as they are aware there is no relevant audit information of which the auditors are unaware.

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Group Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable IFRSs, 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the

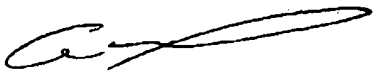
Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

This report was approved by the board on 2 March 2022 and signed on its behalf by:

Cathal Friel
Chairman



Independent auditor's Report to the Members of Poolbeg Pharma Plc

Opinion

We have audited the financial statements of Poolbeg Pharma Plc for the period from incorporation until the 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of financial position, the company statement of cash flows and the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Financial Reporting Standards (IFRSs).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- 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 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, 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 entity's ability to continue to adopt the going concern basis of accounting included reviews of expected cash flows for a period of 12 months, to determine expected cash outflow, which was compared to the liquid assets held in the entity.

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 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.

Independent Auditor's Report

For the period from incorporation on 19 March 2021 to 31 December 2021

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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Intangible assets The Group had capitalised intellectual property costs during the period amounting to £1,581,472 at 31 December 2021. This was made up of: acquired intellectual property of £1,500,000 from hVIVO Services Limited, and capitalised costs relating to patent applications totalling £72,290 and trademarks totalling £9,181. The only capitalised costs to be amortised as at the period end are those relating to trademarks and data sets acquired. The remaining costs will not be amortised until they come into use. The Directors have assessed whether the costs meet the criteria for capitalisation and whether there are any indicators of impairment. The risk is that the costs may not qualify for capitalisation or technological advancements may render the market value of the capitalised costs below its carrying value. Profit after tax, which is considered by management to be a key metric, is directly impacted by the amount of costs capitalised.	We have performed the following audit procedures: • considered whether the nature of the costs met the necessary criteria under IAS 38 for the costs to be allowed for capitalisation; • vouched a sample of the costs capitalised to invoices, to confirm that they relate to intellectual property and have been accurately recorded; • considered whether the Directors' policy for the treatment of such costs was reasonable and assessed whether the costs included in the reconciliation were in line with the Directors' policy; • confirmed the directors' assessment that the amortisation policy is reasonable; and • reviewed the intangibles for any indication of impairment, including a review of the valuation carried out by independent valuers. Based on the audit work performed we are satisfied, that although there are inherent uncertainties associated with the forecast and estimation of useful economic life of intangible assets, the directors have made reasonable assumptions about the valuation and useful economic life of intangible assets, based on past experience and expected future revenues. We are also satisfied that all necessary disclosures have been made in the financial statements.
Carrying value of investments in subsidiaries and recoverability of intercompany loans – parent company financial statements only. The Company had investments of £1,740,253 at the year ended 31 December 2021. The Directors have confirmed all investments, including additions were correctly calculated and being held at cost. The amounts due from subsidiaries amounts to £1,520,389.	We have performed the following audit procedures: • Reviewed management's assessment of future operating cashflows and indicators of impairment; • Assessed the methodology used by management to estimate the future profitability of its subsidiaries and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate;

We identified a risk that the investment held within the parent company financial statements in its subsidiaries and amounts receivable, may be impaired. Management's assessment of the recoverable amount of investments in subsidiaries requires estimation and judgement around assumptions used, including the cash flows to be generated from continuing operations. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary and impairment charges.	• Assessed the reasonableness of the key assumptions used in management's estimates of recoverable value, in line with economic and industry statistics relevant to the business; • Reviewed the intangibles for any indication of impairment, including a review of the valuation carried out by independent valuers; • Assessed the appropriateness and applicability of discount rate applied to the current business performance; • Confirmed that any adverse change in key assumptions would not materially increase the impairment loss; and • Ensured that disclosures of the key judgements and assumptions, and sensitivities of the impairment loss recognised was appropriately disclosed. Based on the audit work performed, we are satisfied with management's assertion that no impairment exists.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group Financial statements	***Company Financial Statements***
Overall materiality	£117,000	£35,000
How we determined it	Based on 5% of net loss	Based on 5% of net loss
Rationale for benchmark applied	We believe that net loss is the primary measure used by the shareholders in assessing the performance of the Company as revenue is yet to be generated, and so costs reduction is significant to the shareholders.	We believe that net loss is the primary measure used by the shareholders in assessing the performance of the Company as revenue is yet to be generated, and so costs reduction is significant to the shareholders.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit for the Group above £5,850 and for the Company above £1,750 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls,

including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

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

The Group financial statements are a consolidation of 3 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of Poolbeg Pharma Plc and ORPH Pharma IP Company Limited reporting units, which were individually financially significant. One additional reporting unit, Poolbeg Pharma (Ireland) Limited, was also individually financially significant and was audited by local component auditors. The sum of these significant entities accounted for 100% of the Group's absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units) and 100% of the Group's assets and liabilities. We also performed specified audit procedures over certain account balances and transaction classes that we regarded as material to the Group at the 2 UK resident reporting units.

We have audited all UK resident components within the Group and performed review of the work carried out by the local component auditors, and no unaudited components remain.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report nor 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 21, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of this 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.

Sanjay Parmar (Senior Statutory Auditor)
For and on behalf of
Jeffreys Henry Audit Ltd, Statutory Auditor
Finsgate
5-7 Cranwood Street
London EC1V 9EE
2 March 2022

Consolidated Statement of Comprehensive Income

For the period from incorporation on 19 March 2021 to 31 December 2021

	Note	For the period ended 31 December 2021 £'000
Revenue		—
Cost of sales		—
Gross profit		—
Administrative expenses		(2,031)
Other operating income	3	109
Research and development expenses		(414)
Loss on ordinary activities before taxation	4	(2,336)
Tax on loss on ordinary activities	6	—
Loss and total comprehensive loss for the period attributable to the equity holders of the Company		(2,336)
Loss per share:		
Loss per share – basic and diluted, attributable to ordinary equity holders of the parent (pence)	7	(0.74)

The loss for the period arises from continuing operations.

There were no other items of comprehensive income for the period and therefore the loss for the period is also the total comprehensive loss for the period.

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 £'000
Assets		
Non-current assets		
Intangible assets	8	1,563
Total non-current assets		1,563
Current assets		
Trade and other receivables	10	506
Cash and cash equivalents	11	20,949
Total current assets		21,455
Total assets		23,018
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	12	100
Share premium	12	23,100
Other reserves		1,716
Accumulated deficit		(2,336)
Total equity		22,580
Current liabilities		
Trade and other payables	14	438
Total current liabilities		438
Total liabilities		438
Total equity and liabilities		23,018

The Financial Statements set out on pages 29 to 52 were approved and authorised for issue by the Directors on 2 March 2022.

They are signed on the Board's behalf by:

Ian O'Connell

Ian O'Connell
Chief Financial Officer

Company Number
13279507

Consolidated Statement of Cash Flows

For the period from incorporation on 19 March 2021 to 31 December 2021

	Note	For the period ended 31 December 2021 £'000
Cash flows from operating activities		
Loss on ordinary activities before taxation		**(2,336)**
Amortisation	8	**18**
Share based payment expense	13	**240**
Movements in working capital and other adjustments:		
Change in trade and other receivables	10	**(506)**
Change in trade and other payables	14	**438**
Net cash flow used in operating activities		**(2,146)**
Cash flow from investing activities		
Payments for intangible assets	8	**(81)**
Net cash flow used in investing activities		**(81)**
Cash flow from financing activities		
Proceeds from issue of equity instruments - net of expenses		**23,176**
Short term loans received	15	**225**
Repayment of short term loans	15	**(225)**
Net cash flow from financing activities		**23,176**
Net change in cash and cash equivalents		**20,949**
Cash and cash equivalents at beginning of period		**—**
Cash and cash equivalents at end of period	11	**20,949**

Poolbeg Pharma plc

Consolidated Statement of Changes in Equity

For the period from incorporation on 19 March 2021 to 31 December 2021

	Note	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Merger reserve £'000	Accumulated deficit £'000	Total £'000
Loss and total comprehensive loss for the period		—	—	—	—	(2,336)	**(2,336)**
Issue of shares as part of demerger	12	45	—	—	1,455	—	**1,500**
Issue of shares for cash	12	55	24,950	—	—	—	**25,005**
Costs charged against share premium	12	—	(1,829)	—	—	—	**(1,829)**
Share based payments	13	—	(21)	261	—	—	**240**
Balance at 31 December 2021		100	23,100	261	1,455	(2,336)	**22,580**

The merger reserve was created on the acquisition of ORPH Pharma IP Company Limited as part of the demerger from Open Orphan plc. Consideration on the acquisition was satisfied by the issuance of shares. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

Company Statement of Financial Position

As at 31 December 2021

	Notes	31 December 2021 £'000
Assets		
Non-current assets		
Investment in subsidiaries	9	1,740
Loans to subsidiaries	9	1,520
Total non-current assets		3,260
Current assets		
Trade and other receivables	10	281
Cash and cash equivalents	11	20,774
Total current assets		21,055
Total assets		24,315
Equity and liabilities		
Equity attributable to owners of the company		
Share capital	12	100
Share premium	12	23,100
Other reserves		1,716
Accumulated deficit		(705)
Total equity		24,211
Current liabilities		
Trade and other payables	14	104
Total current liabilities		104
Total liabilities		104
Total equity and liabilities		24,315

As permitted by Section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent company. The parent company's loss for the period was £705,000.

The Financial Statements set out on pages 29 to 52 were approved and authorised for issue by the Directors on 2 March 2022.

They are signed on the Board's behalf by:

Ian O'Connell

Ian O'Connell
Chief Financial Officer

Company Number
13279507

Company Statement of Cash Flows

For the period from incorporation on 19 March 2021 to 31 December 2021

	Notes	For the period ended 31 December 2021 £'000
Cash flows from operating activities		
Loss for the period – continuing operations		(705)
Loss for the period		(705)
Finance income		(17)
Movements in working capital and other adjustments:		
Change in trade and other receivables	10	(281)
Change in trade and other payables	14	104
Net cash flow used in operating activities		(899)
Cash flow from investing activities		
Funds advanced to subsidiary companies		(1,503)
Net cash flow used in investing activities		(1,503)
Cash flow from financing activities		
Proceeds from issue of equity instruments - net of expenses		23,176
Net cash flow from financing activities		23,176
Net change in cash and cash equivalents		20,774
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at end of period	11	20,774

Poolbeg Pharma plc

Company Statement of Changes in Equity
For the period from incorporation on 19 March 2021 to 31 December 2021

	Note	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Merger reserve £'000	Accumulated deficit £'000	Total £'000
Loss and total comprehensive loss for the period		—	—	—	—	(705)	**(705)**
Issue of shares as part of demerger	12	45	—	—	1,455	—	**1,500**
Issue of shares for cash	12	55	24,950	—	—	—	**25,005**
Costs charged against share premium	12	—	(1,829)	—	—	—	**(1,829)**
Share based payments	13	—	(21)	261	—	—	**240**
Balance at 31 December 2021		100	23,100	261	1,455	(705)	**24,211**

The merger reserve was created on the acquisition of ORPH Pharma IP Company Limited as part of the demerger from Open Orphan plc. Consideration on the acquisition was satisfied by the issuance of shares. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

Notes to the Financial Statements

1 General information

Poolbeg Pharma plc ("Poolbeg" or the "Company") is a public limited company incorporated in England and Wales with company number 13279507. Details of the registered office, the officers and advisers to the Company are presented on the Company Information page at the end of this report. The Company is listed on the AIM market of the London Stock Exchange (ticker: POLB.L, ISIN: GB00BKPG7Z60).

Poolbeg is a clinical stage infectious diseases pharmaceutical company, with a capital light model which aims to develop multiple products faster and more cost effectively than the conventional biotech model.

2 Accounting policies

Basis of preparation

The consolidated Financial Statements comprise those of the Company and its subsidiaries (together the "Group"). The consolidated Financial Statements of the Group and the individual Financial Statements of the Company have been prepared on the going concern basis under the historical cost convention in accordance with United Kingdom adopted International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") that are effective or issued and adopted as at the time of preparing these Financial Statements, and in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at and for the period to 31 December 2021. Subsidiaries are entities controlled by the Group. Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over an investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intergroup balances and any unrealised gains or losses or income or expenses arising from intergroup transactions are eliminated in preparing the consolidated Financial Statements.

One of the subsidiaries consolidated in these consolidated financial statements, ORPH Pharma IP Company Limited ("ORPH IP") was acquired via group re-organisation and as such merger accounting principles have been applied. ORPH IP's financial figures are included for their entire financial period since incorporation on 19 March 2021 rather than from the date the company took control of them. The assets and liabilities of ORPH IP have been recognised and measured in these consolidated financial statements at their pre-combination carrying values. ORPH IP prepares their accounts to 31 December under FRS101, there are no deviations from the accounting standards implemented by the Company.

The current period merger reserve was created on the acquisition of ORPH IP by Poolbeg Pharma plc. Ordinary shares in Poolbeg Pharma plc were issued to acquire the entire issued share capital of ORPH IP. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

Going concern

Management believe that it is appropriate to prepare these consolidated financial statements on the going concern basis. In making that assessment, management are required to consider whether the Group can continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of the approval of the consolidated financial statements. In reaching the going concern conclusion, the cash and cash equivalents of £20.9m as at 31 December 2021 and Group's forecasts and projections over the 24 months from period end, along with sensitivity analysis performed on the projected cashflows taking into account reasonable changes in market conditions, were considered. Management also considered, the Group's ability to successfully operate during the COVID-19 pandemic as demonstrated by it completing an IPO and raising £25m before costs. The Group, therefore, continues to adopt the going concern basis in preparing the consolidated financial statements.

Presentation of Balances

The Financial Statements are presented in £ which is the functional and presentational currency of the Company. Balances in the Financial Statements are rounded to the nearest thousand (£'000) except where otherwise indicated.

The following table discloses the major exchange rates of those currencies utilised by the Group:

Foreign currency units to 1 £	€	US$
Average period to 31 December 2021	1.1698	1.3728
At 31 December 2021	1.1898	1.3527

(US$ = US Dollars; € = Euro)

Accounting policies and disclosures

The accounting policies adopted are consistent throughout the financial period. Standards and amendments to IFRS effective as of 19 March 2021 have been applied by the Group.

Standards issued but not yet effective

There were a number of standards and interpretations which were in issue at 31 December 2021 but were not effective at 31 December 2021 and have not been adopted for these Financial Statements. These include:

- Amendments to IFRS 3 Business Combinations – change in reference to the conceptual framework (applicable on or after 1 January 2022)
- Amendments to IFRS 17 Insurance Contracts – measurement of insurance liabilities (applicable on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements – further disclosure requirements including additional detail around accounting policies (applicable on or after 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates (applicable on or after 1 January 2023)

The Directors have assessed the impact of these accounting changes on the Group. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end and the reported amounts of revenues and expenses during the reporting period. 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 Group's accounting policy descriptions set out the areas that involve significant estimation, uncertainty and critical judgement. The most significant of which are research and development expenditure, acquired intangible assets and share based payments.

Principal accounting policies

The principal accounting policies are summarised below. They have been consistently applied throughout the period covered by the Financial Statements.

Research and development expenses

The costs relating to the development of products are accounted for in accordance with IAS 38 "Intangible Assets", where they meet the criteria for capitalisation.

Development costs are capitalised as an intangible asset if all of the following criteria are met:

1. The technical feasibility of completing the asset so that it will be available for use or sale;
2. The intention to complete the asset and use or sell it;
3. The ability to use or sell the asset;
4. The asset will generate probable future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally;
5. The availability of adequate technical, financial and other resources to complete the development and to use or sell it; and
6. The ability to measure reliably the expenditure attributable to the intangible asset.

Research costs are expensed when they are incurred.

The assessment whether development costs can be capitalised requires management to make significant judgements. Management has reviewed the facts and circumstances of each project in relation to the above criteria and in management's opinion, the criteria prescribed under IAS 38.57 "Intangible Assets" for capitalising development costs as assets have not yet been met by the Company in relation to its current product candidates which are all pre Phase II. Accordingly, all of the Company's costs related to research and development projects are recognised as expenses in the income statement in the period in which they are incurred with £414,000 expensed in the current period. Management expects that the above criteria will be met on filing of a submission to the regulatory authority for final drug approval or potentially in advance of that on the receipt of information that strongly indicates that the development will be successful.

Employee benefits

All employee benefit costs, notably bonuses and contributions to personal pension plans are charged to the Consolidated Statement of Comprehensive Income on an accruals basis.

Financial instruments

Financial instruments are classified on initial recognition as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement. Financial instruments are initially recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets

Cash and cash equivalents
Cash comprises bank balances, all of which are available without notice.

Trade and other receivables
Trade and other receivables have fixed or determinable payments that are not quoted in an active market, are measured at initial recognition at fair value, and are subsequently measured at amortised costs using the effective interest method less impairment. Trade and other receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
At each statement of financial position date, financial assets are assessed for indicators of impairment. Financial assets are impaired if indications exist that events have occurred after the initial recognition of the financial asset that estimated future cash flows have been impacted. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any impairment loss arising from the review is charged to the statement of comprehensive income whenever the carrying amount of the asset exceeds its recoverable amount.

IFRS 9 requires the Company to make an assessment of expected credit losses relating to loans to subsidiary companies. This is based on a 3 stage approach, the Company's intercompany loans are currently within stage 1, which requires a 12-month expected credit loss to be calculated. The Company does not believe that there has been a significant increase in credit risk since initial recognition which occurred during the period and there is no indications of impairment in relation to the underlying assets. The Company has therefore not recognised a loss provision in the current period.

Financial liabilities

Trade and other payables
Trade and other payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method except for short-term payables when the recognition of interest would be immaterial.

Foreign currency translation
The Company translates foreign currency transactions into its functional currency, £, at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the Statement of Financial Position date. Exchange differences arising are taken to the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

All Group entities have a functional currency of £.

Acquired intangible assets
Acquired intangible assets are stated at the lower of cost less provision for amortisation and impairment or the recoverable amount. Acquired intangibles assets are amortised over their expected useful economic life on a straight line basis and are tested for impairment annually. In determining the useful economic life each acquisition is reviewed separately and consideration given to the period over which the Group expects to derive economic benefit.

Intangible assets acquired during the current period as part of the acquisitions of ORPH Pharma IP Company Limited comprised £1,250,000 of assets that are currently not being amortised as it is the Company's policy not to amortise assets in development that are not ready for use. The remaining £250,000 of assets acquired which relates to licences for certain data and samples are being amortised over a 10 year period from the date of acquisition.

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their life from the date that they are available for use.

Amortisation for the period has been charged to administrative expenses in the Statement of Comprehensive Income.

Investment in subsidiaries
Investments in subsidiaries are stated at cost less impairment. Investment in subsidiaries are subject to annual impairment review, with any impairment charge being recognised in the Statement of Comprehensive Income.

Impairment
At each Statement of Financial Position date, the Company reviews the carrying amounts of its investments and acquired intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Any impairment loss arising from the review is charged to the Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount.

The Group assesses each asset or cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as discount rates, future capital requirements, general risks affecting the pharmaceutical industry and other risks specific to the individual asset. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Assets are grouped into the smallest group that generate cash inflows are independent of other assets.

Taxes
Tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date. Deferred tax assets or liabilities are recognised where the carrying value of an asset or liability in the Statement of Financial Position differs to its tax base, and is accounted for using the statement of financial position

liability method. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Share based payments

The Company has issued share options as an incentive to certain senior management. The fair value of options granted is recognised as an expense with a corresponding credit to the share-based payment reserve. The fair value is measured at grant date and spread over the period during which the awards vest.

For equity-settled share-based payment transactions, the goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If it is not possible to estimate reliably the fair value of the goods or services received, the fair value of the equity instruments granted as calculated using the Black-Scholes model is used as a proxy.

The Company has issued warrants to advisers and certain senior management in payment or part payment for services provided to the Group. The fair value of warrants granted during the period was charged against share premium. The corresponding credits are charged to the share-based payment reserve. The fair value is measured at grant date and spread over the period during which the warrants vest. The fair value is measured using the Black-Scholes model if the fair value of the services received cannot be measured reliably.

The fair value of share-based payments is measured by use of valuation models, which take into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on historical share price performance of a group of peer companies as historical share price performance was not available for the Company on the date of grant.

3 Segmental information

The Board considers there to be only a single operating segment: pharmaceuticals. All areas of the business are engaged in the development of a range of pharmaceutical products. Performance information is reported as a single business unit to the executive management team, who are responsible for reviewing the Group's management information. The Chief Executive Officer and Chief Financial Officer are considered to be the chief operating decision makers.

The Group did not generate revenue during the period. Other operating income (£109,000) is as a result of the recharge of facilities and staff costs under cost sharing arrangements. This is unrelated to the Group's core business and non-recurring in nature and as a result is disclosed below the gross profit line similar to the administrative expenses to which the recharges relate.

Location of non-current assets

	31 December 2021 £'000
UK	**1,563**
Other countries	**—**
Total non-current assets	**1,563**

Notes to the Financial Statements

Non-current assets consist of intangible assets. Acquired intangible assets are classified under the location where the acquired subsidiary is incorporated.

4 Operating loss for the period

	Period to 31 December 2021 £'000
Operating loss for the period is stated after charging:	
Fees payable to the Company's auditor for audit of the Company's annual accounts	**20**
Fees payable to the Company's auditor and its associates for other services:	
The audit of the Company's subsidiaries pursuant to legislation	**4**
Tax compliance services	**2**
Assurance services on corporate finance transactions	**30**
Tax services on corporate finance transactions	**13**
Amortisation of intangible assets	**18**
Foreign exchange losses	**67**

5 Employees

Including the Executive and Non-Executive Directors, the Group's average number of employees during the period was 7 (Company: 5).

Aggregate remuneration comprised:

	Group Period to 31 December 2021 £'000	Company Period to 31 December 2021 £'000
Wages and salaries	**714**	**121**
Social security costs	**69**	**2**
Pension costs	**33**	**2**
Other benefits	**4**	**—**
Share based payments – directors[A]	**247**	**7**
Total employee costs	**1,067**	**132**

[A] £7,000 of this amount (both Group and Company) was charged to share premium.

Details of the share options and warrants issued to Directors are included in the Group Directors' Report.

Highest paid director

Group's highest paid director, period to 31 December 2021:

Director	Base Salary and Fees £'000	Bonuses £'000	Pension Contributions £'000	Other Benefits £'000	2021 Total £'000
Jeremy Skillington	208	36	15	2	**261**

In addition, share options were granted during the period (see the Group Directors' Report for details).

Notes to the Financial Statements

6 Tax on ordinary activities

No corporation tax charge arises in the period ended 31 December 2021. A reconciliation of the expected tax benefit computed by applying the tax rate applicable in the primary jurisdiction, the United Kingdom, to the loss before tax to the actual tax credit is as follows:

	Period to 31 December 2021 £'000
Loss before tax	(2,336)
Tax credit at normal rate of UK corporation tax of 19%	(444)
Effect of:	
Losses unutilised	346
Expenses not deductible for tax purposes	46
Differences in overseas taxation rates	52
Total tax charge on loss on ordinary activities	—

The Group has tax losses of up to £2,095,000 to carry forward against future profits. The deferred tax asset on tax losses at 19% of £398,000 has not been recognised due to the uncertainty of the recovery.

7 Loss per share – basic and diluted

The Group presents basic and diluted loss per share ("LPS") data for its ordinary shares. Basic LPS is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted LPS is determined by adjusting the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted by the Company.

Issued share capital – ordinary shares of 0.02p each

Share Issue Details	Number of shares	Weighted average shares
19 March 2021 - Issue of shares on incorporation	5,000 [A]	
20 May 2021 - Issue of shares – share placing	24,992,500	
18 June 2021 - Issue of shares on acquisition of ORPH Pharma IP Company Limited	225,002,500	
16 July 2021 - Issue of shares – EIS/VCT	23,010,000	
19 July 2021 - Issue of shares – share placing on IPO	226,990,000	
31 December 2021	**500,000,000**	**317,227,413**

[A] On 20 May 2021 the one ordinary share of £1 issued on Incorporation of the Company was subdivided into 5,000 ordinary shares of 0.02p each

The calculation of loss per share is based on the following:

	Period to 31 December 2021
Loss after tax attributable to equity holders of the Company (£'000)	**(2,336)**
Weighted average number of ordinary shares in issue	**317,227,413**
Fully diluted average number of ordinary shares in issue	**317,227,413**
Basic and diluted loss per share (pence)	**(0.74)**

Under IAS 33.43 "Earnings per Share", the calculation of loss per share does not assume conversion, exercise, or other issue of potential shares that would have an antidilutive effect on LPS. For the current period, the effect of options would be to reduce the loss per share and as such the basic and

diluted LPS are the same. The share options and warrants outstanding as at 31 December 2021 totalled 36,829,181 and are potentially dilutive.

8 Intangible Assets

Group	Acquired Licences & Data £'000	Patents & Trademarks £'000	Total £'000
Cost			
Acquired from hVIVO Services Limited	1,500	—	**1,500**
Other additions	—	81	**81**
At 31 December 2021	**1,500**	**81**	**1,581**
Accumulated amortisation			
Amortisation charge	18	—	**18**
At 31 December 2021	**18**	**—**	**18**
Net book value			
Net book value at 31 December 2021	**1,482**	**81**	**1,563**

The acquired licences & data additions relates to the value of intangible assets acquired from hVIVO Services Limited by ORPH Pharma IP Company Limited as part of the demerger process from Open Orphan plc.

The Group reviews the carrying amounts of its intangible assets to determine whether there are any indications that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment indications include events causing significant changes in any of the underlying assumptions used in the income approach utilised in valuing in process R&D. These key assumptions are: the probability of success; the discount factor; the timing of future revenue flows; market penetration and peak sales assumptions; and expenditures required to complete development. During the period the Group did not identify any potential changes in the assumptions used in the assessment of the carrying value of the assets.

9 Investment in subsidiaries

Company	Equity in subsidiary companies £'000	Subsidiary funding £'000	Total £'000
Cost			
Additions	1,740	1,520	3,260
At 31 December 2021	**1,740**	**1,520**	**3,260**
Impairment			
Balance at 31 December 2021	**—**	**—**	**—**
Net book value			
At 31 December 2021	**1,740**	**1,520**	**3,260**

Equity additions include the issue cost (£1,500k) of ordinary shares on the acquisition of ORPH Pharma IP Company Limited as part of the demerger from Open Orphan plc. In addition, the current period

additions include share-based payment charges of £240k for share options granted to employees of subsidiary companies.

Funding additions relate to the advancement of loans to ORPH Pharma IP Company Limited and Poolbeg Pharma (Ireland) Limited to fund the operations of those companies including the R&D costs incurred. Recoverability of the loans and the carrying value of the investments is directly linked to the success or failure of the development of the subsidiaries' pipeline of assets. The carrying value of these investments are held at cost and will be reviewed at each reporting date for signs of impairment.

List of subsidiary companies:

Subsidiary company	Activities	Company Number	Incorporation	2021 % holding
Poolbeg Pharma (Ireland) Limited	Pharmaceuticals R&D and management services	698030	Ireland	100
ORPH Pharma IP Company Limited	Pharmaceuticals R&D	13279216	UK	100

ORPH Pharma IP Company Limited was acquired on 18 June 2021 as part of the demerger of the Company from Open Orphan plc.

Poolbeg Pharma (Ireland) Limited was incorporated on 15 June 2021 and was acquired by Poolbeg Pharma plc for €1 on 19 July 2021. On acquisition, Poolbeg Pharma (Ireland) Limited was a dormant company with no assets or liabilities.

List of registered offices:

Company	Registered Office Address
Poolbeg Pharma (Ireland) Limited	4th Floor, Fitzwilliam Hall, Fitzwilliam Place, Dublin 2, D02 T292, Ireland
ORPH Pharma IP Company Limited	Queen Mary BioEnterprises Innovation Centre, 42 New Road, London, E1 2AX, England

10 Trade and other receivables

	Group	Company
	31 December 2021 £'000	31 December 2021 £'000
Trade receivables	8	8
Prepayments and accrued income	449	256
VAT recoverable	49	17
Trade and other receivables	**506**	**281**

11 Cash and cash equivalents

	Group	Company
	31 December 2021 £'000	31 December 2021 £'000
Total Cash and cash equivalents	**20,949**	**20,774**

Notes to the Financial Statements

12 Issued share capital and other reserves

Details of ordinary shares of 0.02p each issued are in the table below:

Share issue date	Number of ordinary shares	Share Capital £'000	Share Premium £'000	Costs charged against share premium £'000	Merger Reserve £'000
19 March 2021 - on incorporation, 1 share of £1	1	–	–	–	–
20 May 2021 – Subdivision of share issued on incorporation	5,000	–	–	–	–
20 May 2021 - share placing	24,992,500	5	–	–	–
18 June 2021 - on acquisition of ORPH Pharma IP Company Limited	225,002,500	45	–	–	1,455
16 July 2021 - EIS/VCT share placing	23,010,000	5	2,296	(168) [A]	–
19 July 2021 – IPO share placing	226,990,000	45	22,654	(1,661) [A]	–
Subtotal	**500,000,000**	**100**	**24,950**	**(1,829)**	**1,455**
Share based payments charged to share premium	–	–	–	(21)	–
At 31 December 2021	**500,000,000**	**100**	**24,950**	**(1,850)**	**1,455**

[A] Total costs incurred of £1,829,000 has been allocated based on the proportion of shares issued on each placing compared to the overall amount of shares issued in the period from 16 July 2021 to 19 July 2021

On 20 May 2021 the one ordinary share of £1 issued on incorporation of the Company was subdivided into 5,000 ordinary shares of 0.02p each.

On 20 May 2021, 24,992,500 ordinary shares of 0.02p were issued at 0.02p per share raising £5,000.

On 18 June 2021, 225,002,500 ordinary shares of 0.02p were issued at a valuation of £1,500,000 as part of the completion of the acquisition of ORPH Pharma IP Company Limited as part of the demerger from Open Orphan plc. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

On 16 July 2021, 23,010,000 ordinary shares of 0.02p were issued at 10p per share as part of a £2,301,000 (before expenses) fund raising to EIS/VCT investors.

On 19 July 2021, 226,990,000 ordinary shares of 0.02p were issued at 10p per share as part of a £22,699,000 (before expenses) fund raising.

Other reserves

Share capital represents the cumulative par value arising upon issue of ordinary shares of 0.02p each.

Share premium represents the consideration that has been received in excess of the nominal value on issue of share capital.

Share-based payment reserve relates to the charge for share based payments in accordance with IFRS 2.

The merger reserve was created on the acquisition of ORPH Pharma IP Company Limited as part of the demerger from Open Orphan plc. Consideration on the acquisition was satisfied by the issuance of shares. Under section 612 of the Companies Act 2006, the premium on these shares has been included in a merger reserve.

Accumulated deficit represents losses accumulated in the current period.

13 Share-based payments

The Company has issued share options as an incentive to certain senior management. In addition, the Company has issued warrants to senior management and advisers in payment or part payment for services provided to the Group. All share options granted during the period were granted under individual agreements and are subject to market and service vesting conditions. The Company does not, as yet, have a share option plan in place. All warrants granted during the period were granted under individual agreements.

Each share option and warrant converts into one ordinary share of Poolbeg Pharma plc on exercise and are accounted for as equity-settled share-based payments. The equity instruments granted carry neither rights to dividends nor voting rights.

Share options and warrants in issue:

	Share Options		Warrants	
	Units	Weighted average exercise price	Units	Weighted average exercise price
Granted during the year	36,000,000	13.3p	829,181	10.0p
Balance at 31 December 2021	**36,000,000**	**13.3p**	**829,181**	**10.0p**
Exercisable at 31 December 2021	—	—	**829,181**	**10.0p**

Further details on the vesting conditions attached to the share options granted during the period are set out in the Group Directors' Report.

The fair value is estimated at the date of grant using the Black-Scholes pricing model, taking into account the terms and conditions attached to the grant. The following are the inputs to the model for the equity instruments granted during the period:

	2021 Options Inputs	2021 Warrants Inputs
Expected life	**4 years**	**3-4 years**
Expected volatility	**52%**	**52%**
Risk-free interest rate	**0.31%**	**0.31%**
Share price at grant	**10p**	**10p**
Fair value per award	**1.2p-2.8p**	**2.5p-2.8p**

During the current period a total of 36,000,000 share options exercisable at a weighted average price of £0.133 were granted. The share options outstanding as at 31 December 2021 have a weighted remaining contractual life of 9.5 years with exercise prices ranging from £0.10 to £0.15.

During the current period, a total of 829,181 warrants exercisable at a weighted average price of £0.10 were granted. The warrants outstanding as at 31 December 2021 have a weighted remaining contractual life of 4.6 years with an exercise price of £0.10.

The value of share options and warrants charged to administrative expenses in the Statement of Comprehensive Income during the period is as follows:

	Period to 31 December 2021 £'000
Share options	240
Total	**240**

In addition to the above charges, a further £21,000 was charged to share premium during the period.

14 Trade and other payables

	Group 31 December 2021 £'000	Company 31 December 2021 £'000
Trade payables	79	6
Accrued expenses	309	84
Other payables	3	2
Social security costs and other taxes	47	12
Trade and other payables	**438**	**104**

15 Related party transactions

Compensation of key management personnel of the Group

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the Board, the Company's key management are the Directors of Poolbeg Pharma plc.

Amounts included in the Financial Statements, in aggregate, by category of related party are as follows:

Directors	Group Period to 31 December 2021 £'000	Company Period to 31 December 2021 £'000
Directors' remuneration (short term benefits)	538	82
Directors' remuneration (pension cost)	23	—
Share based payments	247	7
Other fees	8	8
Total	**816**	**97**

Shares purchased by Directors

In the period from 19 March 2019 to 20 May 2021 (see note 12), the Directors of the Company purchased ordinary shares of 0.02p as follows:

Director	Number
Cathal Friel	15,973,250
Ian O'Connell	7,274,250
Total	**23,247,500**

As part of the 18 June 2021 distribution in specie of Poolbeg Pharma plc shares to Open Orphan plc shareholders pro-rata to their shareholdings in Open Orphan plc (see note 12), the Directors of the Company received ordinary shares of 0.02p as follows:

Director	Number
Cathal Friel	15,416,507
Ian O'Connell	1,052,589
Patrick Ashe	263,147
Total	**16,732,243**

As part of the 19 July 2021 share placing (see note 12), the Directors of the Company purchased ordinary shares of 0.02p as follows:

Director	Number
Cathal Friel	5,000,000
Total	**5,000,000**

The directors of the Company also received share options and warrants in the Company during the period as detailed in the Group Directors' Report.

Other transactions with Directors

The following amounts were charged during the period by entities related to the Directors:

	Group	Company
	Period to 31 December 2021	Period to 31 December 2021
Directors	£'000	£'000
Office facilities costs	4	—
Total	**4**	—

Office facilities costs relate to the recharge of expenses incurred in relation to the Dublin office. These are recharged at cost.

Other related party transactions

From the date of its incorporation on 19 March 2021 to 18 June 2021, ORPH Pharma IP Company Limited ("ORPH IP") was a 100% owned subsidiary of Open Orphan plc. It was also a related party of hVIVO Services Limited, a 100% owned subsidiary of Open Orphan plc. See note 8 for details of the acquisition of Intangible Assets from hVIVO Services Limited by ORPH IP and see note 9 for details of the demerger of ORPH IP from Open Orphan plc. Since the date of the demerger from Open Orphan plc, Poolbeg Pharma plc (and its subsidiary ORPH IP) are no longer related parties of Open Orphan plc and hVIVO Services Limited.

During the period when it was a subsidiary of Open Orphan plc, ORPH IP borrowed £225,000 from Open Orphan plc for working capital purposes. The loan was repaid on 29 July 2021. No interest was payable on the loan if it was repaid by 1 August 2021.

Notes to the Financial Statements

16 Financial risk management

The Group is exposed to risks that arise as a result of its use of financial instruments. Details of the financial instruments generated during the Group's activities are below:

Categories of Group and Company financial instruments

	Group	Company
	31 December 2021 £'000	31 December 2021 £'000
Financial assets (all at amortised cost):		
Cash and cash equivalents	20,949	20,774
Trade receivables and accrued income	36	48
Total financial assets	**20,985**	**20,822**
Financial liabilities:		
At amortised cost		
Trade and other payables and accrued expenses	391	92
Total financial liabilities	**391**	**92**
Net	**20,594**	**20,730**

The Board considers that the carrying values of all financial assets and liabilities shown above to be the fair value of the Group's and the Company's assets and liabilities.

Policies and Objectives

The Group's operations expose it to some financial risks arising from its use of financial instruments, the most significant ones being liquidity, market risk and credit risk. The Board of Directors is responsible for the Group and Company's risk management policies and whilst retaining responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The main policies for managing these risks are as follows:

Liquidity risk

The Group is not subject to any externally imposed capital requirement, accordingly the Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Working capital forecasts are prepared to ensure the Group has sufficient funds to complete contracted work commitments.

The following table shows the maturity profile of current liabilities of the Group:

31 December 2021	Less than 1 month £'000	Between 1 and 3 months £'000	Between 3 and 6 months £'000	Between 3 and 6 months £'000	Total £'000
Current liabilities	217	213	6	2	**438**

The following table shows the maturity profile of current liabilities of the Company:

31 December 2021	Less than 1 month £'000	Between 1 and 3 months £'000	Between 3 and 6 months £'000	Between 3 and 6 months £'000	Total £'000
Current liabilities	64	39	1	–	**104**

Capital management
The Group considers its capital to be its ordinary share capital, share premium, other reserves and accumulated deficit. The Group manages its capital to ensure that entities within the Group will be able to continue individually as going concerns, while maximising the return to shareholders through the optimisation of debt and equity balances. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. On a regular basis, management receives financial and operational performance reports that enable continuous management of assets, liabilities and liquidity.

Market risk
Market risk arises from the use of interest bearing financial instruments and represents the risk that future cash flows of a financial instrument will fluctuate as a result of changes in interest rates. It is the Group's policy to ensure that significant contracts are entered into in its functional currency whenever possible and to maintain the majority of cash balances in the functional currency of the Company. The Group considers this policy minimises any unnecessary foreign exchange exposure. In order to monitor the continuing effectiveness of this policy the Board reviews the currency profile of cash balances and managements accounts.

During the period, the Group did not earn interest on its financial assets. The effect of a 1% change in interest rates obtainable during the period on cash balances would be to increase or decrease the Group loss before tax by £109,000.

In addition to cash balances maintained in £, the Group had balances in € at period-end. A theoretical 10% adverse movement in the period end £:€ exchange rate would lead to an increase in the Group loss before tax by £100,000 with a corresponding reduction in the Group loss before tax with a 10% favourable movement.

Credit risk
Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss. Credit risk arises from cash and cash equivalents and from exposure via deposits with the Group and Company's bankers. For cash and cash equivalents, the Group and Company only uses recognised banks with high credit ratings.

17 Capital commitments and contingencies
The Group has no material capital commitments at the period end.

As part of its regular business the Group enters into licence and collaboration agreements that can contain contingent sales royalty and milestone payments and/or work programme commitments. The payment of royalty and milestone payments under these agreements is entirely dependent on the successful development and commercialisation of the products to which they relate.

Under the terms of a licence agreement with Palau Pharma S.A. ("Palau"), Poolbeg has the exclusive worldwide right to use its patents, patent applications and know-how to develop and commercialise all pharmaceutical products containing the POLB 001 compound. Development milestones of up to €1,000,000 (£840,000) and commercialisation milestones of up to €5,000,000 (£4,202,000) could be triggered on the achievement of various milestone events. Single digit sales royalties are also included as part of the agreement.

18 Events after the reporting period

In January 2022, Poolbeg obtained an exclusive worldwide licence to a novel, late-pre-clinical development stage, first-in-class RNA-based immunotherapy for respiratory virus infections developed at the University of Warwick. The candidate will be developed by Poolbeg as POLB 002.

In January 2022, Poolbeg signed a licence with AnaBio Technologies ("AnaBio") to develop an oral vaccine delivery platform using AnaBio's microencapsulation and nanoencapsulation technologies. Poolbeg will use this technology as a platform to complement its existing and growing pipeline of assets by developing oral vaccines for multiple disease indications.

In February 2022, Poolbeg signed an artificial intelligence agreement with OneThree Biotech Inc. ("OneThree") to identify new drug targets and treatments for Respiratory Syncytial Virus ("RSV"). Under the terms of the agreement, OneThree's state-of-the-art AI analysis tools will identify drug assets which target immune system pathways, have a higher probability of clinical success and have the potential to prevent and/or treat infectious diseases. The analysis will prioritise drugs with existing Phase I safety data, reducing spend and risk. The analysis is expected to commence in Q1 2022 with preliminary outputs from this work expected in H2 2022.

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Jeremy Skillington – CEO
Ian O'Connell – CFO
Patrick Ashe - Non-Executive Director
Eddie Gibson - Non-Executive Director
Luke O'Neill – Non-Executive Director

Company Secretary
Salim Hamir

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