Registered number: 13138531

GENFLOW BIOSCIENCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

GENFLOW BIOSCIENCES PLC

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GENFLOW BIOSCIENCES PLC

COMPANY INFORMATION

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GENFLOW BIOSCIENCES PLC

CHAIRMAN'S STATEMENT

Dear Shareholders,

Introduction

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

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

Some exciting developments took place during 2022, commencing with the Company becoming the first longevity focussed company listed on a stock exchange in Europe ("Admission"). The Company then quickly secured a non-dilutive research grant award of up to €3.375m from the regional government of Wallonia in southern Belgium SPW ("Wallonia Grant") which will cover 70% of the Group's EU research cost.

The research and development programme between Genflow and IVEX, focusing on the development of an anti-ageing gene therapy platform designed to target patients who suffer from Werner's syndrome, non-alcoholic fatty liver disease ("NAFLD"), and non-alcoholic steatohepatitis ("NASH") has seen significant progress over the past year. The study aims to create precise tools to evaluate the effect of Genflow's gene therapy drug candidates at unseen resolutions and precision levels which aims to optimise gene delivery and improve gene therapies.

Our collaboration with IVEX has been recognised by the Applied Research Programme of Enterprise Estonia, an Estonian governmental institution designed to stimulate business growth in the country, and was awarded a non-dilutive grant of €250,000 in October 2022. This grant will enhance Genflow's future therapeutic developments and boost our pre-clinical drug discovery and research initiatives, aimed at assisting people to live longer, healthier lives.

I am also pleased to announce, in late 2022, Genflow and IVEX's hard work provided Genflow, with an opportunity to file a new patent application with the United States Patent and Trademark Office relating to variants of Sirtuin-6 ("SIRT6"), and the gene variant's therapeutic uses for the treatment of two disorders involving the liver.

As mentioned in detail in the Strategic report on page 5, the Company is making great progress in studies with other collaboration partners, most notably;

- Dr. Manlio Vinciguerra and the University of Liverpool which harvested important data which has been published in a peer controlled journal;
- Exogenus Therapeutics which uncovered a promising opportunity for a new patent application related to the encapsulation of AAVs into exosomes; and
- The University of Liverpool, The University of Rochester and Physiogenex, France where over 700 mice have been analysed which has generated essential information to be used to seek authorisation for clinical trials in humans.

2023

In April 2023, we were pleased to announce our application for trading of the Company's ordinary shares on the OTCQB Venture Market in the United States. Trading on the OTCQB market will allow us to access one of the world's largest investment markets, expanding its reach into a broader pool of investors and creating the potential for greater liquidity in the Ordinary Shares.

The US is an important jurisdictional focus for the Company as it is at the forefront of longevity advancements. Trading on the OTCQB will also provide the Company with a platform to showcase its innovative solutions and technologies to a wider audience, raising its profile and increasing visibility within the global biotech industry. The platform will also enable Genflow to tap into the expertise and resources of the US market, including access to potential strategic partners, assisting with the acceleration of the Company's growth and development.

Group Strategy

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

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

We benefit from a secure 2 year funding runway until March 2025. To predict the myriad factors that could impact project financing in the biotechnology industry is difficult. While many of these factors — such as geopolitical instability or increasing interest rates, for example — are out of our control, there are ways we can protect our business today and for the future. We believe that staying focused on cash conservation and robust cash forecasting is paramount. We also favor variable costs and try to avoid as many fixed costs as possible. Furthermore, we are keep on actively pursuing non-diluting research grants. With this strategy in place, we believe that we can deliver the catalysts that will unlock the value of the Company without having to reduce R&D expenditure or slowing our development programs.

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

GENFLOW BIOSCIENCES PLC

CHAIRMAN'S STATEMENT

Governance and the Board

In June 2022, the Board welcomed two new Independent Non-Executive Directors: Ms Tamara Joseph and Dr Guy-Charles Fanneau de la Horie. Both of these new appointments will greatly support the Company's growth and deeply strengthen and enhance the capital markets experience at board level.

Tamara's outstanding track record in biotechnology, with particular exposure to listed firms in the US, dovetails with Genflow's growing exposure in the US following our recent distinguished collaborations with institutions such as the University of Rochester's Aging Research Center (RoAR). In addition, Guy-Charles' expertise in the biotechnology field and in capital markets specifically, will be an invaluable asset for Genflow as the Company continues to grow and perform against its stated strategy.

Importantly, and specifically, for the Company, the appointments will furnish the Board with broad and relevant experience of US listed biotech companies.

We also announced in June 2022 that Dr Gabrielle Silver and Professor Andrew Scott were stepping down from their positions as Non-Executive Directors. I would like to take this opportunity to thank them both for their valuable contribution to the Company over the course of Genflow's listing journey and landmark IPO.

Forward look

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

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

Yassine Bendiabdallah
Non-Executive Chairman

GENFLOW BIOSCIENCES PLC

STRATEGIC REPORT

Introduction

We are a pre-clinical biotechnology company committed to using gene therapy technologies to develop drugs that potentially halt, slow or reverse the ageing process. We are developing therapeutics targeting ageing in humans with an additional focus on a veterinary program for dogs. Our products will aim at improving the health span (living healthier for longer) and potentially, life expectancy. Our objective is to develop gene therapies that address the growing medical need to prevent and delay age-related diseases by using adeno-associated viruses ("AAV") vectors[1] to deliver copies of a SIRT6 gene variant found in Centenarians.

Research and Development Update

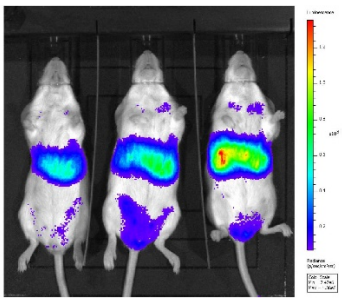
The Company's focus is the creation of innovative interventions in gene therapies that provide hope for halting, slowing or even reversing the ageing process. The Group seeks to streamline and accelerate pre-clinical, regulatory, clinical, and production pathways.

In 2022, Genflow Biosciences has evolved from a company with a single product candidate as a potential treatment of a progeria, Werner Syndrome, into a company with a more balanced pipeline. The Company is focusing on the research, development and safe implementation of its two longevity programs:

1. NASH (Non-Alcoholic Steatohepatitis) where the Company is seeking to reverse ageing fibrotic livers to normal functionality. NASH affects an estimated 35 million people globally and is one of the leading causes of chronic liver disease and liver transplants; and

2. Werner Syndrome where the Company is seeking to improve the life of patients with this accelerated ageing disease. The Company is seeking to ensure swift first-in-human trials.

After conducting rigorous in-house studies, the Company has achieved consistent and satisfactory delivery of its drug candidate to the required, targeted human cells, with optimal levels of expression. Referring to the picture (right), investors can see how the Company has developed the aforementioned consistency and delivery over the period of the studies:



The Company has initiated in-vivo evaluations of its centenarian SIRT6 gene therapy in four different NASH mice models in conjunction with three leading partners in the field:

(a) The University of Liverpool, UK
(b) The University of Rochester, US; and
(c) Physiogenex, France (www.physiogenex.com).

These studies have been wide reaching and have included the analysation of over 700 mice, with the intention of understanding the efficacy and safety of the Company's drug candidate in animal models with NASH. They have generated essential information which will be used to seek authorisation for clinical trials in humans.

This significant milestone marks a crucial (and necessary) first step in determining the most effective dosage for cSIRT6 gene therapy in human trials.

In collaboration with Dr. Manlio Vinciguerra, (a Company Scientific Advisory Board member based at the University of Liverpool), Genflow has gained a significantly deeper understanding of the biochemical changes that occur in the treatment of NASH using its centenarian SIRT6. This research has led to the Company clearly identifying the workings of its drug candidate and its potential benefits for NASH patients. As a result, Genflow has accumulated important data and is currently exploring additional IP opportunities.

As validation, part of these results have been published in a peer controlled journal (reference: Human centenarian-associated SIRT6 mutants modulate hepatocyte metabolism and collagen deposition in multilineage hepatic 3D spheroids - PubMed (nih.gov)) with the Company's CEO and members of its Scientific Advisory board listed as co-authors.

The Company has also conducted targeted biodistribution studies of its SIRT6-AAVs (the means by which gene therapy is delivered to the body) with its partners IVEX, in Estonia and Articles in Belgium.

These studies demonstrate the absorption and distribution of the Company's drug candidates in the human body. The data from these studies, which is owned by the Company, will form a significant part of its presentation to the regulatory authorities mentioned above.

STRATEGIC REPORT

In collaboration with Exogenus Therapeutics, the company uncovered a promising opportunity for a new patent application related to the encapsulation of AAVs into exosomes. The understanding of the means of delivery of drug candidates to cells and tissues, whilst reducing the damage to the human immune system, is key in all areas of medicine.

If successful, this-then patent protected delivery method could have significant positive implications for the field of gene therapy and beyond. Based on this work, further IP opportunities are also being explored.

In preparation for its first regulatory interaction with health authorities, the Company completed a detailed application dossier for the Chemistry, Manufacturing, and Controls (CMC) of the Group's medical treatment of NASH. This will be presented to the Belgian regulatory authorities (FAMHP/FAGG) in early June 2023. The Directors believe that this presentation is a significant milestone for the Group, allowing it direct interaction with national regulatory authorities, and thus, paving the way for the Group to commence clinical trials on an accelerated pathway (given there is currently no known medical treatment for NASH).

Note that all costs in relation to the Group's research and development activity has been recognized as an expense in the Consolidated Statement of Comprehensive Income due to the Group being in the research phase of its journey.

Strategic Development - Collaborative Research Agreements

Since incorporation, the Company has entered into several scientific collaborations with top-tier longevity research institutions.

The Company's collaboration with St Anne's University Hospital - International Clinical Research Center ("ICRC"), in Brno, Czech Republic is a pre-clinical programme to assess the effect of SIRT6 delivery on cellular senescence and metabolism in vitro and in vivo. After demonstrating promising properties of centenarian SIRT6 in human cells and human cells spheroids, the program moves to confirmation of these properties in a NASH mouse model.

The research and development programme between Genflow and IVEX focuses on the development of an anti-ageing gene therapy platform designed to target nearly 100 million patients worldwide who suffer from Werner's syndrome, NAFLD, and NASH, as well as other major clinical disorders.

In 2022, the Company was pleased to announce it had entered into new collaborative research agreements with some of the most prestigious organisations in the biotechnology space.

University of Rochester's Aging Research Center ("RoAR")
The first being with RoAR, New York, one of the world's pre-eminent age research facilities. Lead by Dr Vera Gorbunova, a member of the Company's scientific advisory board and an internationally acclaimed leading scientist in the areas of DNA repair and the aging process. The data obtained from the collaboration will support the pre-clinical trials Genflow is undertaking and will expedite its development of gene therapies. The company is in the early stage of a 300 mice in vivo study to evaluate the efficacy of centenarian SIRT6 in the management of NASH.

Oxford University
The company collaborated with Pr Lynne Cox at the lab of Ageing and Cell Senescence at the Department of Biochemistry, University of Oxford to develop a transgenic overexpressing Werner mouse model.

Liverpool John Moores University
The Company also partnered with Liverpool's John Moores University to conduct additional studies and the experiment is being conducted under the supervision of Dr Manlio Vinciguerra from the Scientific Advisory Board of the Company (see above).

Organips
The Company entered into a collaborative research agreement with Organips, a France-based biotechnology company founded by Prof Jean Marc Lemaitre who has published several papers on reprogramming cells and is a leader in this field and has filed several patents.

SynAbs
The Company entered in a collaborative research agreement with SynAbs to generate custom-made Monoclonal antibodies specific to SIRT6 wild and centenarian forms.

CER Groupe
The Company has also partnered up with CER groupe, a Belgium-based contract development and manufacturing organization (CDMO). Partnering with CER will also allow Genflow to benefit from state-of-the-art analytical platforms for biological characterization. Furthermore, the company will partner with CER to conduct several experiments in mice such as bioavailability and assessment of efficacy in murine NASH models.

Exothera
The Company entered into negotiations under CDA with Exothera, a Belgian CDMO, for the future large scale GMP production of Genflow gene therapies.

STRATEGIC REPORT

Intellectual Property

Late in 2022, the Company filed a new patent application with the United States Patent and Trademark Office that relates to methods of administration of variants of SIRT6, and the gene variant's therapeutic uses for the treatment of two disorders involving the liver: NAFLD, and NASH. Genflow holds the patent through Genflow Biosciences SRL ("Genflow BE").

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

Genflow BE also holds a provisional patent application focussing on the ability to edit its SIRT6 gene. This gene has been shown to play a role in longevity and age-related diseases. If successful, the patent will represent a significant breakthrough in the field of gene editing, with potential implications for longevity and other forms of gene therapy.

Investment To Date

In October 2022, Genflow was pleased to announce that its AAV research and development programme in Estonia, operated in collaboration with IVEX, had received a non-dilutive grant award of €250,000 from the Applied Research Programme of Enterprise Estonia, an Estonian governmental institution designed to stimulate business growth in the country. The Company believes that the non-dilutive grant received by IVEX from Enterprise Estonia will support the acceleration of the project's development of anti-aging gene therapies and expedite Genflow's drug development programme.

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

Both grants are in addition to £3.7 million received by way of equity fundraising consecutive with Admission (in addition to the funds raised at pre-IPO). The proceeds of this equity fundraising (in addition to other amounts raised) enable the Group to execute its business plan for the next two years, which is broadly progressing our lead compound to clinical trial authorisation, broadening our drug candidate pipeline and strengthening our IP position.

The Scientific Advisory Board

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

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

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

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

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

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

Organisational Progress

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

In June 2022, the Company welcomed two new Independent Non-Executive Directors, Tamara Joseph and Dr Guy-Charles Fanneau de la Horie, to its Board of Directors.

Tamara has extensive experience in both early-stage and commercial biotech companies in the US. Her outstanding track record in biotechnology, with particular exposure to listed firms in the US, dovetails with Genflow's growing exposure in the US following its recent distinguished collaborations summarised above.

Dr Guy-Charles has built, and led, biotech executive teams over the past 20 years where he has acted as Chief Executive Officer and successfully led IPOs and completed multiple fundraisings. His expertise in the biotechnology field and in capital markets specifically, will be an invaluable asset for Genflow as the Company continues to grow and perform against its stated strategy.

In June 2022, the Company also announced the resignation of Dr Gabrielle Silver who stepped down from the Board to focus on her other board roles, and Professor Andrew Scott who stepped down in order to devote more time to his research and writing, aimed at raising awareness around longevity.

The Company is proud to uphold a good standard of corporate governance by putting in place:

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

The Company's Corporate Governance policy has been further detailed in the Corporate Governance Report on page 19.

Being a great place to work

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

Gender diversity

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

Roles by gender

	2022		2021	
	Female	Male	Female	Male
Non-executive Director	2	4	1	3
Executive Director	-	1	-	1

STRATEGIC REPORT

Financial Overview

As at 31 December 2022, the Group had cash reserves of £2,356,225 (2021: £224,004) and is debt free.

Group administration expenses for the 2022 year totaled £1,822,232 (2021: £938,096) which primarily consisted of professional, legal and consulting fees of £381,534 (2021: £386,325) and PR and marketing costs of £165,889 (2021: £138,933). Expenditure on research and development was £724,465 for the year (2021: £86,044), all of which has been recognized as an expense due to the Group being in the research phase.

As at 31 December 2022, Genflow BE has received £394,134 (€435,771) out of a possible €3.375m from the the regional government of Wallonia in respect of the Wallonia Grant. Grant income is applied for quarterly and at the year-end Genflow BE has made submissions amounting to £487,293 (€538,770), with £92,535 (€103,000) included in receivables.

Other Comprehensive Income was charged with a translation loss of £75,158 (2021:£14,065) upon converting the Subsidiary's results for the year since acquisition to GBP.

Key Performance Indicators ("KPIs")

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

The main financial KPI for the Group at this stage are the level of cash and cash equivalents. Non-financial KPIs are more relevant at this stage, in line with the monitoring of progress of key milestones in the R&D phase. These below key KPIs allow the Board to monitor costs and plan future research and development activities.

	2022	2021
Cash and cash equivalents	£2,356,225	£220,004
Interaction with health authorities	-	-
Intellectual property held	2	2
In vivio data for targeted indication (Werner and NASH)	2	n/a

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

Outlook

Our key objectives for 2023 are:

- First interaction with European Health regulatory authorities EMA/FAMHP/FAGG mid 2023. To be followed by meeting with the FDA.
- Continuing the constitution of the Investigational Medicinal Product Dossier (IMPD).
- Broadening our scientific collaborations with top-tier longevity research institutions.
- Exploiting new patent and other IP opportunities.

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

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

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

The application of the s172 requirements are demonstrated throughout this report and the financial statements as a whole, with the following examples representing some of the key decisions made in 2022 and up to the date of the approval of these financial statements:

- Entering into Collaboration Agreements with prestigious organisations to widen the Group's ability to obtain valuable research and to tap into the knowledge of other researchers.
- Exploring non-dilutive financing opportunities such as regional government grants to expedite areas of key research and development without diluting the holding of existing shareholders.
- Expanding on the Company's portfolio of intellectual property by filing new patent applications in order to protect the Company's research and development progress.
- Attending the annual AGM and prepared to answer any questions raised by shareholders.
- Presenting at conferences and published recordings on the Group's research and development.
- Securing arrangements with SAB members who are experts in sub-sectors of the longevity field, to enhance the skills and experience required for the Company as it progresses.
- Expanding organisational capability through appointing experienced Board members to govern and lead the Company.
- Intending to limit the use of animal models to what is necessary by the regulatory authorities (FDA, EMA, MHRA) and to that extent, the company will deadlocked alternatives by using artificial organs built with human cells organoids in testing rather than using animal models. These organoids mimic the function of a natural organ, therefore they deliver more relevant information on the potential safety and efficacy of the drug in humans. However, these organoids do not reflect the interaction of the organ with other organs, therefore testing on animals cannot always be avoided.
- Ensuring all experiments using animal models are put to an independent ethical committee for appropriate approval.

Principles 2 and 3 of the Corporate Governance Statement on page 19 provides further evidence for how Section 172(1) has been applied to strategic issues, risks or opportunities across key stakeholder groups.

By order of the Board

Eric Leire
Chief Executive Officer
21 April 2023

GENFLOW BIOSCIENCES PLC

OPERATING RISKS AND UNCERTAINTIES

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

Research and development risk

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

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

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

Timeline risk

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

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

Risks related to future funding requirements

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

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

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

Risk related to dependence on key personnel

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

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

The Exclusive Licence Agreement risk

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

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

OPERATING RISKS AND UNCERTAINTIES

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

IP risk

There is no guarantee that the patent applications will result in granted patents or provide the appropriate level of protection. The Exclusive Licence granted to Genflow BE pursuant to the Exclusive Licence Agreement is conditional upon the success of the GF-1002 patent application. The commercial success of the Group is dependent, in part, on non-infringement of patents by other third parties. An adverse judgment against the Group may give rise to significant liability in monetary damages, legal fees and a requirement to cease manufacturing, marketing or selling products.

Mitigation: A constant monitoring of third parties' activities by IP counsel will reduce this risk and enable the Group to quickly react in case of infringement. Moreover, the Group has the right to file infringement complaints with the courts and to defend its patent rights.

Risk related to the use of Adeno Associated Viruses

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

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

GENFLOW BIOSCIENCES PLC

DIRECTORS' REPORT

The Directors present their Report, together with the Group financial statements and Independent Auditor's Report, for the year ended 31 December 2022.

Principal Activities and Business Review

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

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

Principal risks and uncertainties are discussed on pages 11-12.

Section 172 of The Companies Act has been considered in the Strategic Report report on pages 5-10. The Board is committed to consideration of all stakeholders in their decision making and conduct of the Group's business.

Results and Dividends

The loss of the Group for the year ended 31 December 2022 from continued operations amounts to £1,335,321 (2021: £988,195).

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

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

Yassine Bendiabdallah	
Eric Leire	
Peter King-Lewis	
Guy-Charles Fenneau De La Horie	(Appointed 29 June 2022)
Tamara Joseph	(Appointed 29 June 2022)
Andrew Scott	(Resigned 29 June 2022)
Gabrielle Silver	(Resigned 29 June 2022)

Directors' Interests

The Directors who served during the year ended 31 December 2022 had the following beneficial interests in the shares of the Company at year end:

	31 December 2021		31 December 2022		As at the date of this report	
Director	**Ordinary Shares**	**Options**	**Ordinary Shares**	**Options**	**Ordinary Shares**	**Options**
Eric Leire [(1)]	120,000,000	-	120,414,999	-	120,414,999	-
Yassine Bendiabdallah	-	-	470,500	-	470,500	-
Peter King-Lewis	-	-	382,000	-	382,000	-
Guy-Charles Fenneau De La Horie	-	-	300,000	-	300,000	-
Tamara Joseph	-	-	-	-	-	-
Gabrielle Silver [(2)] (resigned 29 June)	-	-	550,000	-	550,000	-
Andrew Scott (resigned 29 June)	-	-	300,000	-	300,000	-

(1) Eric's wife, Ms J Pattison, holds 150,360 Ordinary Shares.
(2) Gabrielle's father, holds 12,500 Ordinary Shares.

Substantial Shareholdings
The Company is aware that, as at 21 April 2023, other than the Directors, the interests of Shareholders holding three per cent or more of the issued share capital of the Company were as shown in the table below:

Shareholder	Shares held	Percentage of holdings
Eric Leire	120,414,999	41.2%
JIM Nominees Ltd	37,990,899	13.0%
Adrian Beeston	17,475,000	6.0%
Samantha Bauer	14,500,000	5.0%
Longevity Tech Fund	10,499,998	3.6%
Sarah Beeston	10,000,000	3.4%

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

Corporate Responsibility

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

TCFD recommendations serve as a global foundation for effective climate-related disclosures and set out recommended disclosures structured under four core elements of how companies operate:

- Governance – The organisation's governance around climate-related risks and opportunities;
- Strategy – The actual and potential impacts of climate-related risks and opportunities for an organisation's businesses, strategy, and financial planning;
- Risk Management – The processes used by the organisation to identify, assess, and manage climate-related risks; and
- Metrics and Targets – The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

These are supported by recommended disclosures that build on the framework with information intended to help investors and others understand how reporting companies assess climate-related risks and opportunities.

The table below shows the Group's current progress against the TCFD recommendations.

TCFD Pillar	Recommended Disclosure	Genflow Response
Governance	• The board's oversight of climate-related risks and opportunities • Management's role in assessing and managing climate related risks and opportunities	As a research stage biopharmaceutical business, the Group's operations are at a relatively small scale and so is its environmental impact. Nevertheless, the Board recognises its responsibility to protect the environment (particularly as the business scales up). The Board has oversight of climate-related matters (which include risks and opportunities). The board is supported by the Audit Committee, which is responsible for keeping under review the adequacy and effectiveness of the Group's internal control and risk management systems, which consider climate-related risks.

TCFD Pillar	Recommended Disclosure	Genflow Response
Strategy	• Climate-related risks and opportunities identification • Climate-related risks and opportunities impacts • Resilience of the organisation's strategy	Genflow is committed to a net zero and healthier planet, and this is part of the Group's strategic long-term priorities. The Board is committed to conserving natural resources and striving for environmental sustainability, by ensuring that its facilities (and the facilities of academic and contracted collaborators) are operated to optimise energy usage; minimise waste production; and protect nature and people. When Genflow reaches the next phase of its drug development, clinical trials, ESG will be at the heart of the Board and management's vision and strategy to enable climate-related risks and opportunities to be identified and suitably mitigated/actioned. The information collected will allow the Board to challenge the Group's strategy to ensure it is as resilient as possible.
Risk Management	• Identifying and assessing climate-related risks • Managing climate-related risks • Integration into overall risk management	Given the small scale of its current operations, Genflow has the ability to embed climate-related risk management systems into its overall internal control systems from the start of its journey, thus almost eliminating the occurrence of transition risk. As operations scale up in the coming years, the identification, assessment and effective management of climate-related risks and opportunities will be actively discussed during Board and management meetings.
Metrics and Targets	• Climate-related metrics • Scope 1, Scope 2, and Scope 3 emissions. • Climate-related targets	As the Group's operations scale up, it will continue to monitor its energy use and its status as a low energy user. The Group will seek to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified where relevant. The Board will also look to adopt SASB recommended disclosures once clinical trials commence.

Social

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

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

Health and safety

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

For scientific and regulatory reasons, animal studies remain a crucial part of the Group's work to deliver safe and effective therapies, which benefit animal and patients' health and the wellbeing of our society. At present it is not possible, either due to lack of suitable alternatives, or because animal studies are required by regulatory authorities, for the Group to eliminate the need for animal studies in its work. The Group recognises the ethical responsibility to treat all animals respectfully, while

striving to minimise their pain or distress, and to avoid it completely when possible. To this end, the Group strictly complies with all applicable international and local legislation and regulatory guidelines and, furthermore, is committed to following the high standards of internationally recognised practices on the humane treatment of animals. The Group upholds and embraces the "3Rs" of animal research, namely:

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

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. The principal business risks affecting the Group are set out on pages 19-24.

Financial Risk Management

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

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

Internal Controls

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

Going Concern

Management has prepared a forecast covering 12 month post-year end and believe that current cash reserves will adequately cover the working capital requirements of the Group, in addition to meeting research and development commitments. As such, the Directors have a reasonable expectation that the Group has, and will have access, to adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and financial statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern in Note 2 of the financial statements.

Viability statement

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

In addition to retaining a large portion of the funds raised on Admission, the Group has also started to receive instalments of a research grant award from the regional government of Wallonia in southern Belgium, of which up to €3.375m can be claimed. Management plan to utilise the funds to expedite certain phases of its planned research and development. Management has prepared forecast covering three years post-year end and believe that current cash reserves will adequately cover the working capital requirements of the Group in addition to meeting research and development commitments.

Directors' and Officers' Indemnity Insurance

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

Events after the reporting period

Events after the reporting year are set out in Note 20 to the financial statements.

Provision of Information to Auditor

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

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

Auditor

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

This report was approved by the Board on 21 April 2023 and signed on its behalf.

Yassine Bendiabdallah
Non-Executive Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

GENFLOW BIOSCIENCES PLC

CORPORATE GOVERNANCE REPORT

The Group is not required to comply with the UK Code of Corporate Governance and has not voluntarily adopted it. However, the Directors recognise the importance of sound corporate governance and the Board intends, to the extent it considers appropriate in light of the Group's size, stage of development and resources, to implement certain corporate governance recommendations.

The Directors have responsibility for the overall corporate governance of the Group and recognise the need for the highest standards of behaviour and accountability .As such, the Company follows the QCA Corporate Governance Code ("the Code") as its code of corporate governance. The Code is published by the Quoted Companies Alliance ("QCA") and is available at www.theqca.com.

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

Principle One
Business Model and Strategy

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

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

Principle Two
Understanding Shareholder Needs and Expectations

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

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

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

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

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

Principle Three
Considering wider stakeholder and social responsibilities

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

GENFLOW BIOSCIENCES PLC

CORPORATE GOVERNANCE REPORT

Principle Four
Risk Management

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

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

	Ability to raise further capital	Loss of critical financial data The Group may be required to reduce the scope of its investments or anticipated expansion	Regular back up of data online and locally Ongoing monitoring of economic events and markets
Regulatory risk	The Group will need to obtain various approvals from a number of regulatory authorities in order to market its future products.	The Group's activities will be adversely affected by regulatory factors such as the suspension of licences and changes to regulatory requirements that will govern any novel gene therapy.	Proactive engagement with Government at all levels.

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

Principle Five
A Well-Functioning Board of Directors

As at the date hereof, the Board comprises, one Executive Director Eric Leire, Non-Executive Chairman Yassine Bendiabdallah and three Non-Executive Directors Tamara Joseph, Peter King-Lewis and Guy-Charles Fanneau de la Horie.

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

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

Yassine Bendiabdallah, Tamara Joseph, Dr Guy-Charles Fenneau De La Horie and Dr Peter King-Lewis are considered to be Independent Directors and as such the Company is in compliance with the requirement to have a minimum of two independent non-executive directors on its Board. The Board notes that the expectation of the QCA Code is that the Chairman will not have an executive capacity and that the role of the Chairman and Chief Executive Officer ("CEO") are not held by the same person. The Board shall review further appointments as scale and complexity grows.

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

	Meetings Attended	Meetings eligible to attend
Eric Leire	6	6
Yassine Bendiabdallah	6	6
Peter King-Lewis	5	5
Guy-Charles Fenneau De La Horie	2	2
Tamara Joseph	2	2
Gabrielle Silver	3	3
Andrew Scott	3	3

CORPORATE GOVERNANCE REPORT

Principle Six
Appropriate Skills and Experience of the Directors

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

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

Dr Yassine Bendiabdallah, Non-Executive Chairperson

Dr Yassine Bendiabdallah (MPharm, PhD, IP) is a Functional Medicine Healthy Ageing Specialist and an expert in Bio-identical Hormone therapy (BHRT). His previous academic degree as an anti-cancer drug discovery scientist with Cancer Research UK at University College London has earned him various distinctions and publications in peer-reviewed academic journals. After a few years in academia, he embarked on an entrepreneurial journey and co-founded the Zen Healthcare group of pharmacies and wellness clinics with multiple sites in London and worldwide partnerships. His current role is a clinical director and clinician with interests including age reversal therapies, functional approaches to medicine and intravenous micronutrient therapies. He also co-founded Pasithea Therapeutics, an innovative biotech company and mental health group of clinics and was, until March 2023, Chief Operations Officer and head of UK Clinics. He is a director and board member of a number of companies within the healthcare industry.

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

Dr Eric Leire, Chief Executive Officer

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

Dr Peter King-Lewis, Non-Executive Director

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

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

Tamara Joseph, Non-Executive Director *(appointed 29 June 2022)*

Tamara is a seasoned health care leader, having extensive experience in both early-stage and commercial biotech companies in the US and other markets. Her expertise in the biotech sector includes public and private financings, M&A, global expansions, and a Nasdaq uplisting. She has also supported Nasdaq financings of over $800m. Her experience, spanning over 20 years, includes acting as a member of the executive team (as Chief Legal Officer and General Counsel) at multiple US publicly listed companies, as well as leading IT, Public and Government Affairs, and People & Culture teams.

Tamara is currently serving as Chief Legal Officer at Nasdaq-listed Spero Therapeutics Inc., a multi-asset, clinical-stage biopharmaceutical company in Cambridge, Massachusetts. She previously served as Chief Legal Officer at Nasdaq-listed, Millendo Therapeutics Inc., to support its transition to a publicly-traded company, and as General Counsel at Enzyvant Therapeutics Inc., a rare disease company focused on regenerative medicine which is now a subdivision of Sumitomo Pharma. Previously, Tamara has served as an adviser to the boards of five US publicly traded biotechs, including Cubist Pharmaceuticals Inc. Tamara has a BA in Economics from Duke University, a JD from the University of Michigan Law School, and LLM degrees from the College of Europe in Belgium and the University of Paris. She began her legal career at the law firms of Morrison & Foerster and Fried Frank, working in New York, Los Angeles, Brussels and Paris. She also serves as a

non-executive board member for the non-profit organizations of BINA Farm Center and Heluna Health, an $600M+ agency focused on improving population health.

Tamara Joseph is a member of the Audit Committee.

Dr Guy-Charles Fenneau De La Horie, Non-Executive Director *(appointed 29 June 2022)*

Over the past 20 years, Guy-Charles has built, and led, biotech executive teams where he has acted as Chief Executive Officer. During his tenures, he has successfully led IPOs and completed multiple fundraisings. Guy-Charles' expertise in the biotech field in both public and private companies encompasses launching and selling new drugs in untapped markets, with successful early access programs. Specifically, Guy-Charles has served as Chief Executive Officer at three biotech companies, including, until very recently, Euronext Growth traded, Pherecydes Pharma, a biotech company that develops treatments against resistant bacterial infections; and Neovacs, a therapeutic vaccine company. Guy-Charles has also held senior positions at Biogen, a Nasdaq listed global biotechnology company. Guy-Charles managed the IPO and associated successful financing of Neovacs in 2010, and in 2021, led Pherecydes Pharma through an oversubscribed placing.

Dr Guy-Charles Fenneau De La Horie is a member of the Remuneration and Nomination Committee.

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

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

Principle Eight
Corporate Culture

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

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

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

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

Principle Nine
Maintenance of Governance Structures and Processes

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

Audit Committee
The Audit Committee comprises Tamara Joseph and Dr Yassine Bendiabdallah, who chairs this committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the

Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration and Nomination Committee
The Remuneration comprises Dr Peter King-Lewis, Dr Guy-Charles Fenneau De La Horie and Dr Yassine Bendiabdallah, who chairs this committee. The Remuneration and Nomination Committee reviews: remuneration, including making recommendations to the Company and the Board on the Company's policy on executive remuneration, including setting the overarching principles, parameters and governance framework of each of the Company's Executive Directors and certain senior executives; and the composition and make-up of the Board and any committees of the Board and evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement directors and committee members and will make appropriate recommendations to the Board on such matters.

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

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

Principle Ten
Shareholder Communication

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

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

Yassine Bendiabdallah
Non-Executive Chairman

21 April 2023

GENFLOW BIOSCIENCES PLC

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to present the Group's Audit Committee report for the year to 31 December 2022.

Meeting Attendance
The Audit Committee met twice in 2022, both times with the Company's auditors in attendance. Y Bendiabdallah chaired the meetings and the committee's second board member A Scott attended.

Composition of the Audit Committee
In line with the QCA, the Committee comprises two independent Non-Executive Directors, including the Chair. The members of the Audit Committee until 29 June 2022 were Y Bendiabdallah and A Scott. Upon A Scott's resignation from the board on 29 June 2022, T Joseph was appointed to the board and to the Committee.

T Joseph has a wealth of experience in sitting in board positions and on various committees. Her expertise includes public and private financings, M&A, global expansions and a Nasdaq uplisting. T Joseph has significant, recent and relevant financial experience to fulfil the requirements of the role. All current members of the Audit Committee have held, or currently hold, board-level positions in Biotech with international reach.

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

Committee Duties
The Audit Committee is committed to:

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

External Auditor
The external auditor, PKF Littlejohn LLP ("PKF"), was reappointed after consideration by the audit committee and scrutiny of their independence, objectivity and capabilities. The Audit Committee also received and reviewed a report from the external auditor setting out to its satisfaction how its independence and objectivity is safeguarded when providing non-audit services. The value of non-audit services provided by PKF in respect of the year ending 31 December 2022 amounted to £nil (2021: £54,000, for transactional services in respect of Admission). During the year there were no circumstances where PKF was engaged to provide services prohibited by the FRC's 2016 ethical standard or which might have led to a conflict of interest.

Financial Statements
The Audit Committee reviewed and agreed the external auditor's strategy and approach in advance of their audit for the year ended 31 December 2022, and reviewed reports on the outcome of the audit.

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

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

The Year Ahead
The Audit Committee is focused on maintaining a framework of internal control, the effectiveness of which will be regularly reviewed by the Audit Committee in light of an ongoing assessment of significant risks facing the Company and the Group. The Audit Committee is committed to assisting the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

This report was approved by the Board on 21 April 2023.

Yassine Bendiabdallah
Chairman of the Audit Committee

GENFLOW BIOSCIENCES PLC

REMUNERATION AND NOMINATION COMMITTEE REPORT

Dear Shareholders,

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

Committee Composition and Meeting Attendance
The Committee is made up of Independent, Non-Executive Directors and shall meet not less than twice in each financial year. The Remuneration and Nomination Committee last met on 18 April 2023.

Committee Duties
The Remuneration Committee is responsible for:

(1) Determining and agreeing with the Board the framework or broad policy for the remuneration of the executive offices and other senior managers;

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

Remuneration Policy
Due to the Group being in the early stages of its journey and the Board's collective commitment to conserve cash, a bonus and incentive awards scheme does not form part of the executive or non-executive remuneration package. This will be kept under review by the Committee as the Group's activity progresses.

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

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

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

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

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

Annual Report on directors' remuneration

Executive Directors (audited)
The remuneration of the executive directors for the year ended 31 December 2022 and period ended 31 December 2021 was as shown in the table below:

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

REMUNERATION AND NOMINATION COMMITTEE REPORT

	31 December 2022					
	Directors' fees	Bonus	Taxable benefits	Pension benefits	Options issued	Total
	£	£	£	£	£	£
Eric Leire	235,432	-	-	-	-	235,432
	235,432	**-**	**-**	**-**	**-**	**235,432**

The Company has presented an annual percentage change of 63% (2021: Nil) in the amount paid to the CEO.

Non-Executive Directors (audited)
The basic fee for the non-executive directors for 2022 and 2021 was £30,000.

The remuneration of the non-executive directors for the year ended 31 December 2022 and period ended 31 December 2021 was as shown in the table below:

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

	31 December 2022					
	Directors' fees	Bonus	Taxable benefits	Pension benefits	Options issued	Total
	£	£	£	£	£	£
Yassine Bendiabdallah	28,810	-	-	653	-	**29,463**
Peter King-Lewis	28,810	-	-	653	-	**29,463**
Gabrielle Silver	13,810	-	-	297	-	**14,107**
Andrew Scott	12,522	-	-	179	-	**12,701**
Guy-Charles Fanneau de La Horie	15,000	-	-	-	-	**15,000**
Tamara Joseph	15,000	-	-	-	-	**15,000**
	113,952	**-**	**-**	**1,782**	**-**	**115,734**

Payments made to past Directors (audited)
Payments were made to A Scott and G Silver up until their date of resignation. No payment in respect of loss of office was payable.

Statement of Directors' shareholding and share interests (audited)
The tables below set out the Directors' interests (including those of their connected persons) in Genflow Biosciences Plc shares as at 31 December 2022.

Executive Directors

	Shares owned outright
Eric Leire (1)	120,414,999

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

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

Non-Executive Directors

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

	Shares owned outright
Yassine Bendiabdallah	470,500
Peter King-Lewis	382,000
Tamara Joseph	-
Guy-Charles Fanneau De La Horie	300,000
Andrew Scott (resigned 29 June 2022)	300,000
Gabrielle Silver (resigned 29 June 2022) [(2)]	562,500

(2) Gabrielle indirectly holds a further 12,500 Ordinary Shares by ways of her father's shareholding.

Group spend on pay
During the year, the Group's administration expenses totalled £1,822,232 (2021: £938,096) of which 19.8% (2021: 17.7%) represented remuneration paid to Directors of the Company.

The year ahead
The Committee has been charged by the Board to ensure that the Group's pay and benefits practices are competitive, able to attract high calibre people and to ensure those people are suitably incentivised to perform and remain with the Group over the long term. The Committee hold its first review in 2022 to ensure that remuneration throughout the business is still structured appropriately to incentivise performance and reward behaviour in the spirit of ownership throughout the organisation.

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

This report was approved by the Board on 21 April 2023.

Yassine Bendiabdallah
Chairman of the Remuneration Committee

GENFLOW BIOSCIENCES PLC

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

Opinion

We have audited the financial statements of Genflow Biosciences plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Shareholders' Equity, the Consolidated and Parent Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and associated cashflow forecasts for a period of more than 12 months from the date of approval of the financial statements. We reviewed the assessment and made enquiries of management to confirm key assumptions made and drivers of the assessment. We evaluated the inputs to the cashflow forecast for reasonableness, including the capital raise from the initial public offering, ongoing forecast expenditure and review of stress testing. The proceeds from the initial public offering have been used as the basis for the going concern assumption as they are expected to cover working capital for the going concern period.

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

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

Our application of materiality

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

The group was audited to a level of materiality for the financial statements as a whole of £64,500 (PY: £47,000), a benchmark calculated using 5% of the draft loss before tax of the group. We consider the loss before tax to be the most significant determinant of the group's financial position and performance used by shareholders and investors for the current period, with the significant balances in the period being the administrative expenditure and loss for the period.

The performance materiality applied at the group level was £ 45,150 (PY: £32,900) and we have reported misstatements during our audit work above £3,225 (PY: £2,350), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The group performance materiality was set by us at 70% of materiality. This was deemed reasonable due to the relatively low level of transactions and simple nature of these transactions and also due to this being the second year we are performing the audit. Performance materiality was set so as to ensure sufficient coverage of the key balances.

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

The materiality applied to the parent company was £44,000 (PY: £37,000) being 5% of the draft loss before tax. Loss before tax was deemed an appropriate benchmark for materiality calculation as it provides the best indication of annual performance during the research phase and given no development assets are capitalised. Performance materiality was £30,800 (PY: £25,900) and this was set by us at 70% of materiality. This was deemed reasonable due to the relatively low level of transactions and simple nature of these transactions and also due to this being the second year we are performing the audit.

No component auditors were used and both subsidiaries were audited by the group audit team. Genflow Biosciences srl was assessed as a significant component and was audited to a materiality of £23,000 (PY: £20,000) being 5% of the draft loss before tax, with performance materiality applied of £16,100 (PY: £14,000). We agreed with the audit committee that we would report any individual audit difference in excess of £1,150 (PY: £1,000) for Genflow Biosciences srl and differences below this threshold that, in our review, warranted reporting on qualitative grounds.

Our approach to the audit

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

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

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Grant Income recognition	
The Group received a non-dilutive research grant award of up to €3.375m from the regional government of Wallonia in southern Belgium SPW. The Grant will cover two years of costs of the pre-clinical research and development program. Income will be recognised based on the grant terms and conditions. There is a risk that the grant income recognised in not yet earned by the group due to conditions set out in the grant not being met.	Our work in this area included: • Updated our understanding of the system and related controls relevant to grant income. • Evaluated the appropriateness of the system and the effectiveness of the design and implementation of the related controls surrounding grant income. • Substantive testing of receipts relating to grant income , including accrued income balances recognised at the year-end. • Reviewed the grant terms and conditions and ensured that conditions set out have been met for the income recognised. • Confirmed the treatment of grant income is in accordance with the terms of the grant and accounting standards; and • A review of post year-end receipts to ensure completeness of income recorded in the accounting period.
Carrying value of investment	
Genflow Biosciences Plc is the ultimate parent company of the group. The company acquired Genflow Biosciences SRL in FY2021. The value of the investment balance is highly material in the company financial statements. There is an increased risk the carrying amount of the investment might not reflect any possible impairment.	Our work in this area included: • Considered the valuation of the investments in the year and assessed for any potential impairment indicators; • Assessed the carrying amount of the investment and compared it to the recoverable amount and ensured that if carrying amount is lower then recoverable amount then it should be impaired.

	• For recoverable amount for the investment, we have calculated net asset value and if required used DCF technique to calculate the recoverable amount. • We have ensured that all inputs to calculated recoverable amount is tested appropriately.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Other matters which we are required to address

We were appointed by the audit committee on 28 April 2022 to audit the financial statements for the period ending 31 December 2022 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering the periods ending 31 December 2021 to 31 December 2022.

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

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

Use of our report

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

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

15 Westferry Circus
Canary Wharf
London E14 4HD

21 April 2023

GENFLOW BIOSCIENCES PLC

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

		Group		Company	
	Notes	**Year ended 31 December 2022**	Year ended 31 December 2021	**Year ended 31 December 2022**	Year ended 31 December 2021
		£	£	**£**	£
Non-Current Assets					
Property, plant & equipment		**2,351**	-	**-**	-
Investments	9	**-**	-	**1,058,266**	68,131
Total non-current assets		**2,351**	-	**1,058,266**	68,131
Current Assets					
Trade and other receivables	10	**258,885**	52,547	**153,874**	48,542
Cash and cash equivalents	11	**2,356,225**	224,004	**1,639,776**	166,566
Total current assets		**2,615,110**	276,551	**1,793,650**	215,108
Total Assets		**2,617,461**	276,551	**2,851,916**	283,239
Current Liabilities					
Trade and other payables	12	**250,988**	221,427	**71,515**	191,512
Total Liabilities		**250,988**	221,427	**71,515**	191,512
Net Assets		**2,366,473**	55,124	**2,780,401**	91,727
Equity attributable to owners of the Parent					
Share capital	14	**87,752**	73,371	**87,752**	73,371
Share premium	14	**4,190,900**	633,765	**4,190,900**	633,765
Other reserves	15	**231,341**	156,183	**-**	-
Retained earnings		**(2,143,520)**	(808,195)	**(1,498,251)**	(615,409)
Total Equity		**2,366,473**	55,124	**2,780,401**	91,727

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. During the year ended 31 December 2022, the Company made a loss for the year of £882,842 (2021: £795,409).

The financial statements were approved and authorised for issue by the Board of Directors on 21 April 2023 and were signed on its behalf by:

Eric Leire
Chief Executive Officer

The Notes from page 39 form part of these financial statements

GENFLOW BIOSCIENCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2022

		Group	
Continuing Operations	Notes	**Period ended 31 December 2022**	Period ended 31 December 2021
		£	£
Other operating income		**487,293**	-
Operating Profit		**487,293**	-
Administration expenses	6	**(1,822,236)**	(938,096)
Other losses		**-**	(50,000)
Operating Loss		**(1,334,943)**	(988,096)
Net finance costs		**(382)**	(99)
Loss before Taxation		**(1,335,325)**	(988,195)
Income tax	8	**-**	-
Loss for the year from continuing operations		**(1,335,325)**	(988,195)
Loss attributable to:			
- owners of the Parent		**(1,335,325)**	(988,195)
		(1,335,325)	(988,195)
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**75,158**	(14,065)
Total Comprehensive Income		**(1,260,167)**	(1,002,260)
Attributable to:			
- owners of the Parent		**(1,260,167)**	(1,002,260)
Total Comprehensive Income from continuing operations		**(1,260,167)**	(1,002,260)
Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & Diluted	16	**(0.457)**	(0.593)

The Notes from page 39 form part of these financial statements.

GENFLOW BIOSCIENCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2022

		Attributable to Equity Shareholders- Group				
		Share capital	Share premium	Other reserves	Retained losses	Total equity
		£	£	£	£	£
As at 18 January 2021		**-**	**-**	-	-	-
Loss for the period		-	-	-	(988,195)	(988,195)
Other comprehensive income						
Exchange differences on translating foreign operations		-	-	(14,065)	-	(14,065)
Total comprehensive income for the period		**-**	**-**	**(14,065)**	**(988,195)**	**(1,002,260)**
Transactions with owners						
Issue of ordinary shares	14	27,597	859,539	-	-	887,136
Issue of bonus shares	14	45,774	(45,774)	-	-	-
Capital reduction	14	-	(180,000)	-	180,000	-
Merger of entity under common control	15	-	-	170,248	-	170,248
Total transactions with owners		**73,371**	**633,765**	**170,248**	**180,000**	**1,057,348**
As at 31 December 2021		**73,371**	**633,765**	**156,183**	**(808,195)**	**55,124**
As at 1 January 2022		**73,371**	**633,765**	**156,183**	**(808,195)**	**55,124**
Loss for the period		-	-	-	(1,335,325)	(1,335,321)
Other comprehensive income						
Exchange differences on translating foreign operations		-	-	75,158	-	75,158
Total comprehensive income for the period		**-**	**-**	**75,158**	**(1,335,325)**	**(1,260,163)**
Transactions with owners						
Issue of ordinary shares	14	14,381	3,820,539	-	-	3,834,920
Cost of capital – share issue costs	14	-	(263,404)	-	-	(263,404)
Total transactions with owners		**14,381**	**3,557,135**	**-**	**-**	**3,571,516**
As at 31 December 2022		**87,752**	**4,190,900**	**231,341**	**(2,143,520)**	**2,366,473**

The Notes from page 39 form part of these financial statements.

GENFLOW BIOSCIENCES PLC

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2022

		Attributable to Equity Shareholders- Company			
		Share capital	**Share premium**	**Retained losses**	**Total equity**
		£	**£**	**£**	**£**
As at 18 January 2021		**-**	**-**	-	-
Loss for the period		-	-	(795,409)	(795,409)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**-**	**-**	(795,409)	(795,409)
Transactions with owners					
Issue of ordinary shares	14	27,597	859,539	-	887,136
Issue of bonus shares	14	45,774	(45,774)	-	-
Capital reduction	14	-	(180,000)	180,000	-
Total transactions with owners		**73,371**	**633,765**	**180,000**	**887,136**
As at 31 December 2021		**73,371**	**633,765**	**(615,409)**	**91,727**
As at 18 January 2022		**73,371**	**633,765**	**(615,409)**	**91,727**
Loss for the period		-	-	(882,842)	(882,842)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(882,842)	(882,842)
Transactions with owners					
Issue of ordinary shares	14	14,381	3,820,539	-	3,834,920
Cost of Capital – share issue costs	14	-	(263,404)	-	(263,404)
Total transactions with owners		**14,381**	**3,557,135**	**-**	**3,571,516**
As at 31 December 2022		**87,752**	**4,190,900**	**(1,498,251)**	**2,780,401**

The Notes from page 39 form part of these financial statements.

GENFLOW BIOSCIENCES PLC

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS
For the year ended 31 December 2022

		Group		Company	
	Notes	**Year ended 31 December 2022**	Year ended 31 December 2021	**Year ended 31 December 2022**	Year ended 31 December 2021
Cash flows from operating activities					
Loss after taxation		**(1,335,325)**	(988,195)	**(882,842)**	(795,409)
Adjustments for:					
Depreciation & amortisation		**129**			
Share based payments		**72,000**	18,960	**72,000**	18,960
Impairment of receivables		**-**	50,000	**-**	50,000
Net finance income		**-**	99	**-**	-
Increase in trade and other receivables	10	**(206,339)**	(49,668)	**(102,371)**	(45,663)
Increase/(decrease) in trade and other payables	12	**29,561**	221,427	**(137,108)**	191,512
Foreign exchange		**71,120**	-	**-**	-
Net cash used in operating activities		**(1,368,324)**	(747,377)	**(1,050,321)**	(580,600)
Cash flows from investing activities					
Purchase of property, plant & equipment		**(2,480)**	-	**-**	-
Cash acquired through business combinations		**-**	198,502	**-**	-
Loans granted to subsidiaries		**-**	-	**(975,985)**	(42,950)
Net cash used in investing activities		**(2,480)**	198,502	**(975,985)**	(42,950)
Cash flows from financing activities					
Proceeds from issue of shares	14	**3,762,920**	783,711	**3,762,920**	783,711
Share issue costs	14	**(263,404)**	-	**(263,404)**	-
Proceeds from borrowings		**-**	-	**-**	6,405
Net cash generated from financing activities		**3,499,516**	783,711	**3,499,516**	790,116
Net increase in cash and cash equivalents		**2,128,183**	224,004	**1,473,210**	166,566
Cash and cash equivalents at beginning of year		**224,004**	-	**166,566**	-
FX on cash		**4,038**	-	**-**	-
Cash and cash equivalents at end of year	11	**2,356,225**	224,004	**1,639,776**	166,566
Non-cash investing and financing activities					
Consultancy fees settle in shares		**(72,000)**	(18,960)	**(72,000)**	(18,960)
Shares issued to settle a subsidiary commitment		**-**	-	**-**	(11,203)
Acquisition of subsidiary for share consideration		**-**	-	**-**	(20,383)

The Notes from page 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

ACCOUNTING POLICIES

1. General Information

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

The Company is incorporated and domiciled in the United Kingdom. The Company was incorporated on 18 January 2021 and commenced trading on this date.

The address of its registered office is 6 Heddon Street, London, W1B 4BT.

2. Summary of Significant Accounting Policies

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

2.1 Basis of Preparation of Financial Statements

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

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

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

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

2.2 Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2022

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the year ended 31 December 2022 but did not result in any material changes to the financial statements of the Group or Company.

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

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

Standard	Impact on initial application	Effective date
IFRS 16 (Amendments)	Property, plant, and equipment	*1 January 2024
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current.	1 January 2023
IAS 8 (Amendments)	Accounting estimates	1 January 2023
IAS 17 (Amendments)	Insurance	1 January 2023

* *Subject to endorsement*

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

2.3 Basis of Consolidation

The Group financial statements consolidate the financial statements of Genflow Biosciences Plc and the financial statements of all of its subsidiary undertakings made up to 31 December 2022.

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

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

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

Investments in subsidiaries are accounted for at cost less impairment.

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

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

2.4 Going Concern

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

Although the Group's assets are not generating revenue streams, an operating loss has been reported and an operating loss is expected in the 12 months to 31 December 2023, the Directors believe that the Group will have sufficient funds to meet its immediate working capital requirements and undertake its targeted operating activities over the next 12 months from the date of approval of these financial statements. As at 31 December 2022 the Group has cash resources of £2,356,225 made up of funds received on Admission and grant income from the regional government of Wallonia in southern Belgium, of which up to €3.375m can be claimed over the life of the grant and €538,771 of this had been received by the year end. Management plan to use these funds to expedite certain phases of its planned research and development. Management has prepared forecast covering 18 month post-year end and believe that current cash reserves will adequately cover the working capital requirements of the Group in addition to meeting research and development commitments.

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

2.5 Segment Reporting

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

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

2.6 Foreign Currencies

(a) Functional and presentation currency

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

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

(c) Group companies

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

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

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

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

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

2.7 Grant income recognition

Grant income is recognised within other operating income. Grants are recognised as due to the Group when there is reasonable assurance that:

- the Group will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Group are credited to the Statement of Comprehensive Income if the conditions attaching to the grant have been met. Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as a creditor. Where the conditions to the grant have been met but the grant income is yet to be received, a debtor will be recognised equal to the submission made, accruing evenly over the period in which the submission relates.

2.8 Research and development

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

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

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

2.9 Financial Assets

(a) Classification

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

(b) Recognition and measurement

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

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

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

(c) Impairment of financial assets

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

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

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

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

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

(d) Derecognition

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

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

2.10 Financial Liabilities

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Trade and other payables

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

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

Derecognition

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

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

2.11 Cash and Cash Equivalents

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

2.12 Taxation

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

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

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

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

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

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

2.13 Share Capital

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

2.14 Reserves

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

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

Other Reserves – consists of the following;

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

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

2.15 Share based payments

Equity-settled share-based payment transactions are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the entity obtains the goods or the counterparty renders the service.

2.16 Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

2.17 Operating Leases

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

3. Financial Risk Management

3.1 Financial Risk Factors

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

Market Risk

(a) Foreign currency risks

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

An analysis of the Group's net monetary assets by functional currency of the underlying companies at the year-end is as follows:

	Currency			Total
	GBP 2021	EUR 2021	USD 2021	2021
Currency of net monetary assets	**£**	**£**	**£**	**£**
Pound Sterling	148,646	-	-	148,646
Euro	-	57,438	-	57,438
US Dollar	8,358	-	-	8,358
Australian Dollar	9,562		-	9,562
At 31 December 2021	**166,566**	**57,438**	**-**	**224,004**

	Currency			Total
	GBP	EUR	USD	
	2022	2022	2022	2022
Currency of net monetary assets	**£**	**£**	**£**	**£**
Pound Sterling	1,623,713	-	-	1,623,713
Euro	4,059	716,449	-	720,508
US Dollar	1,992	-	-	1,992
Australian Dollar	10,012	-	-	10,012
At 31 December 2022	**1,639,776**	**716,449**	**-**	**2,356,225**

The table above indicates that the Company's primary exposure is to exchange rate movements between UK Pound Sterling and the Euro. The table below shows the impact of changes in exchange rates on the result and financial position of the Company.

	2022	2021
	£	**£**
Pound Sterling 10% weakening against Euro	**(72,051)**	(5,744)
Pound Sterling 10% strengthening against Euro	**72,051**	5,744
Pound Sterling 20% weakening against Euro	**(144,102)**	(11,488)
Pound Sterling 20% strengthening against Euro	**144,102**	11,488

(b) Interest rate risk

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

Credit Risk

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

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

Liquidity Risk

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

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and to enable the Group to continue its research and development activities. The Group has no debt at 31 December 2022 and defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

4. Critical Accounting Estimates and Judgements

The preparation of the Group financial statements in conformity with IFRSs requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the financial statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these financial statements.

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

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

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

Intercompany loans
In the prior year management assessed the recovery profile of the Parent Company loans granted to subsidiaries and noted the research and development timetable would mean that repayment of the amounts loaned would not commence in the short to medium term and accordingly the loans were considered to not be repayable and have been classified as an investment in subsidiary. Management performed an assessment over whether the investment in Genflow BE of £1,058,266 was impaired. The determination of the assumptions is subjective and requires the exercise of considerable judgement about the outcome of research and development activity, probability of technical and regulatory success, amount and timing of projected future cash flow or changes in market conditions. Any changes in key assumptions could materially affect whether an impairment exists.

Impairment of receivables
Included in other receivables is an amount of £92,535 (2021: £nil) as at 31 December 2022 in respect of grant income receivable. The Directors believe that the amount will be recovered in full and therefore have not recognised any impairment to the carrying value of this amount.

5. Segmental Information

As at 31 December 2022, the Group operates in two geographical areas, the UK and Belgium. The Parent Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in Belgium relate to research and development. The US entity is dormant. The reports used by the chief operating decision maker are based on these geographical segments.

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

2022	Belgium £	UK £	Total £
Other operating income	487,293	-	487,293
Administrative expenses	(887,130)	(935,106)	(1,822,236)
Other losses	-	-	-
Loss from operations per reportable segment	(399,837)	(935,106)	(1,334,943)
Additions to non-current assets			
Reportable segment assets	821,460	1,793,650	2,615,110
Reportable segment liabilities	179,473	71,515	250,988

6. Expenses by Nature

	Group	
	31 December 2022 £	31 December 2021 £
Directors' fees	349,384	166,441
Directors' pensions	1,782	-
Directors' social security contributions	9,329	-
Fees payable to the Company's auditors for the audit of the Parent Company and group financial statements	41,790	42,500
Fees paid or payable to the Company's auditor and its associates for due diligence and transactional services	-	50,050
Professional, legal and consulting fees	381,534	386,325
PR and marketing	165,889	138,933
Accounting related services	7,245	2,980
Insurance	33,423	4,340
Office and administrative expenses	4,496	3,531
IT and software services	2,249	27,199
Travel and entertainment	14,193	6,668
Research and development costs	724,465	86,044
Share based payments	72,000	18,960
Other expenses	14,327	4,125
Depreciation	130	-
Total administrative expenses	**1,822,236**	**938,096**

7. Employees

The average monthly number of employees, including Directors, during the year was 5 (2021: 2). There were no employees during the year other than the Directors. See the Remuneration And Nomination Committee Report on page 26 for details of remuneration paid to Directors serving during the year.

8. Taxation

	Group		Company	
Tax recognised in profit or loss	**2022**	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Total tax charge in the Statement Of Comprehensive Income	**-**	**-**	**-**	**-**

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

Group	**2022**	**2021**
	£	**£**
Loss before tax	**(1,335,325)**	**(988,195)**
Tax at the weighted average rate of 20.4% (Company: 19%)	(272,405)	(201,592)
Expenditure not deductible for tax purposes	25,343	27,127
Net tax effect of losses carried forward on which no deferred tax asset is recognised	247,062	174,465
Income tax for the year	**-**	**-**

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

The Group has accumulated tax losses of approximately £421,000 (Company - £280,000) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilized.

9. Investment in Subsidiary Undertakings

	Company	
	2022	**2021**
	£	**£**
Shares in subsidiary undertakings		
At beginning of the period	**68,131**	**-**
Additions to investments	-	20,383
Loans receivable	990,135	47,748
At period end	**1,058,266**	**68,131**

During the year, £990,135 (2021: £54,153) was loaned by the Company to Genflow Biosciences Srl and £Nil (2021: £6,405) was repaid. The amount owing at the year-end is in respect of working capital and is not expected to be repaid. As such, it forms part of the amount invested into Genflow Biosciences SRL by the Company.

Investments in Group undertakings are stated at cost less impairment.

Details of subsidiaries at 31 December 2022 are as follows:

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

10. Trade and Other Receivables

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
VAT receivable	32,612	16,016	15,861	12,900
Prepayments	131,414	32,808	38,879	32,808
Other receivables	94,859	3,723	99,134	2,834
	258,885	52,547	**153,874**	48,542

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above. These assets, excluding prepayments, are the only form of financial asset within the Group, together with cash and cash equivalents. There are no trade receivables therefore an ageing analysis has not been provided.

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

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
UK Pounds	153,874	48,542	153,874	48,542
Euros	103,949	3,116	-	-
US Dollars	1,062	889	-	-
Current receivables	**258,885**	52,547	**153,874**	48,542

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. All trade and other receivables are considered fully recoverable and performing.

11. Cash and Cash Equivalents

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Cash at bank and in hand	**2,356,225**	224,004	**1,639,776**	166,566

The Group’s cash is held with facilities with an A credit rating.

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

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
UK Pounds	1,623,713	148,646	1,623,713	148,646
Euros	720,508	57,438	4,059	-
US Dollars	1,992	8,358	1,992	8,358
Australian Dollars	10,012	9,562	10,012	9,562
Cash at bank and in hand	**2,356,225**	224,004	**1,639,776**	166,566

12. Trade and Other Payables

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade payables	83,590	37,686	2,053	25,351
Other payables	8,799	13,325	4,217	3,295
Accrued expenses	158,599	170,416	65,245	162,866
	250,988	221,427	**71,515**	191,512

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

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

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
UK Pounds	69,270	191,521	71,515	191,512
Euros	144,053	29,906	-	-
Current payables	**213,323**	221,427	**71,515**	191,521

13. Financial Instruments by Category

	31 December 2022		31 December 2021	
Group **Assets per Statement of Financial Position**	**At amortised cost**	**Total**	**At amortised cost**	**Total**
Trade and other receivables (excluding prepayments)	127,471	127,471	19,739	19,739
Cash and cash equivalents	2,356,225	2,356,225	224,004	224,004
Total	**2,483,696**	**2,483,696**	**243,788**	**243,788**
Liabilities per Statement of Financial Position				
Trade and other payables (excluding accruals)	92,389	92,389	51,011	51,011
Total	**92,389**	**92,389**	**51,011**	**51,011**

	31 December 2022		31 December 2021	
Company **Assets per Statement of Financial Position**	**At amortised cost**	**Total**	**At amortised cost**	**Total**
Trade and other receivables (excluding prepayments)	114,995	114,995	15,734	15,734
Cash and cash equivalents	1,639,776	1,639,776	166,566	166,566
Total	**1,754,771**	**1,754,771**	**182,300**	**182,300**
Liabilities per Statement of Financial Position				
Trade and other payables (excluding accruals)	6,270	6,270	28,646	28,646
Total	**6,270**	**6,270**	**28,646**	**28,646**

14. Share Capital and Share Premium

Issued share capital

Company	Number of shares	Ordinary shares £	Share premium £	Total £
Issued and fully paid				
Issued on incorporation	100	1	-	1
Issue of new shares – 25 March 2021	6,312,500	630	251,869	252,499
Issue of new shares – 1 April 2021	203,833,878	20,383	-	20,383
Issue of new shares – 2 June 2021	18,724,000	1,872	407,938	409,810
Issue of bonus shares on a 2:1 basis – 13 July 2021	457,740,956	45,774	(45,774)	-
Consolidation of share capital – 13 July 2021	(457,740,956)	-	-	-
Capital reduction – 13 July 2021	-	-	(180,000)	(180,000)
Issue of Ordinary Shares – 9 November 2021	15,699,640	4,711	199,732	204,443
At 31 December 2021	**244,570,118**	**73,371**	**633,765**	**707,136**
At 1 January 2022	**244,570,118**	**73,371**	**633,765**	**707,136**
Issue of new shares – 17 January 2022	**47,036,500**	**14,111**	**3,748,809**	**3,762,920**
Issue of new shares – 17 January 2022	**900,000**	**270**	**71,730**	**72,000**
Cost of Capital – 15 February 2022	**-**	**-**	**(263,404)**	**(263,404)**
At 31 December 2022	**292,506,618**	**87,752**	**4,190,900**	**4,278,652**

On 17 January 2022, the Company issued and allotted 47,036,500 new Ordinary Shares at a price of 8 pence per share for gross proceeds of £3,762,920, in connection with admission.

On 17 January 2022, the Company issued and allotted 900,000 new NED fee Ordinary Shares at a price of 8 pence per share for gross proceeds of £72,000, in lieu of fees.

15. Other reserves

Group	Foreign currency translation differences	Merger reserve	Total
	£	£	£
At 17 January 2021	**-**	**-**	**-**
Currency translation differences	(14,065)	-	(14,065)
Acquisition of subsidiaries	-	170,248	170,248
As at 31 December 2021	**(14,065)**	**170,248**	**156,183**
Currency translation differences	75,158	-	74,919
Acquisition of subsidiaries	-	-	-
As at 31 December 2022	**61,093**	**170,248**	**231,341**

16. Earnings per Share

The calculation of the total basic loss per share of 0.457 pence (2021: 0.593) is based on the loss attributable to equity owners of the group of £1,335,321 (2021: £988,195) and on the weighted average number of ordinary shares of 292,506,618 (2021: 166,669,960) in issue during the year.

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

17. Commitments

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

- IVEX Labs; Amounts have been payable under the contact in place with IVEX Labs in connection with the study of cloning mouse Sirt6 and human SIRT6 (both wild-type and centenarian variants) into AAV2 (“Task1”). A final payment of €50,000 is payable on completion of the research, receipt of reports for Tasks 1-2, a final report and other deliverables due.
- CSZBio; €10,240 payable per month over two years from June 2021.
- University of Rochester (“UOR”); In connection with Genflow BE’s collaboration with UOR on a SIRT6 mouse study, Genflow BE is committed to pay a total $128,000 to UOR. This is payable in two tranches of; $96,000 in June 2023 and $32,000 payable in Aug 2023.

18. Related Party Transactions

Group

During the period, the following Directors purchased ordinary shares in the Company;

Director	No. of ordinary shares purchased
Eric Leire	414,999
Yassine Bendiabdallah	108,000
Peter-King Lewis	82,000

Company

During the period the Company invested a further £990,135 into Genflow Biosciences Srl. As at the period end, the Company’s investment in Genflow Biosciences Srl equated to £1,037,883.

During the period the Company invoiced Genflow Biosciences Srl £52,260 in respect of management and operational fees. At the period end the full amount is outstanding and this amount has been included in trade and other receivables.

19. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

20. Events after the Reporting Date

On 19 April 2023, the Company announced its application for trading of the Company's ordinary shares on the OTCQB Venture Market in the United States.