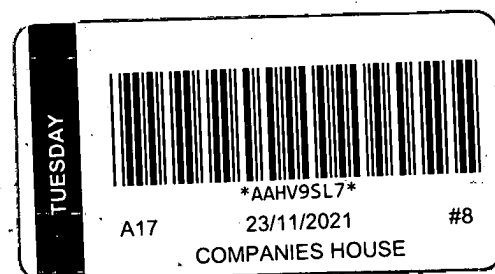


Registered number: 10238425

GAMMADELTA THERAPEUTICS LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



GAMMADELTA THERAPEUTICS LTD

COMPANY INFORMATION

Directors	Peter Goodfellow Timothy Haines Adrian Hayday Michael Owen Paolo Paoletti Daniel Kemp (resigned 1 April 2021) Heather Huet (appointed 1 April 2021)
Registered number	10238425
Registered office	Westworks 195 Wood Lane White City Place London W12 7FQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY
Bankers	Silicon Valley Bank Alphabeta 14-18 Finsbury Square London United Kingdom EC2A 1BR HSBC 63-64 St Andrews Street Cambridge Cambridgeshire CB2 3BZ

GAMMADELTA THERAPEUTICS LTD

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GAMMADELTA THERAPEUTICS LTD

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Introduction

The principal activity of the Group is the research and development of improved allogenic immunotherapies. The Group's research and development is focussed on exploiting the unique properties of both gamma delta ($\gamma\delta$) T cells to develop product candidates in areas of high unmet clinical need.

There is a significant unmet clinical need in oncology driving the requirement for more effective products, since patients almost always relapse from, and develop resistance to, current therapies. While there has been significant innovation in the emergence and development of immunotherapies in recent years, with some patient groups benefiting from durable long-term responses, there still remains significant unmet need with too few patients responding to therapy, severe toxicities associated with manipulation of the immune system, high costs and failure rates for production of autologous cellular therapies providing opportunities for the development of novel allogeneic immunotherapies.

GammaDelta Therapeutics Limited (the 'Company' or the 'parent Company') was incorporated on 17 June 2016. On 15 August 2016, the Company licensed certain early stage intellectual property from Cancer Research Technology Limited, King's College London and the Francis Crick Institute to provide the Company a research platform to exploit the unique properties of tissue-resident gamma delta ($\gamma\delta$) T cells to develop product candidates as potential immunotherapies for cancer and other diseases.

On 31 May 2018, the Company acquired the entire issued share capital of Lymphact – Lymphocyte Activation Technologies, S.A. ('Lymphact'), a company incorporated in Portugal. The research and development assets of Lymphact provide a platform for the Group to develop product candidates focussed on exploiting the unique properties of blood-resident $\gamma\delta$ T cells for the treatment of certain cancers, including haematological cancers.

The Group's current business model is focussed on the development of an internal product pipeline, and as such the Group is dependent upon external investment and related funding. The Group's operating costs are supported by an equity funding round completed on 8 May 2017 raising \$27.5m and a further equity investment of \$10.0m which was secured on 29 March 2019. Further, the Group entered into a collaboration agreement with Millennium Pharmaceuticals, Inc. (a subsidiary of Takeda Pharmaceutical Company Limited) on 8 May 2017, which provides a funding facility to support the Group's research and development activities.

The Group operates in the United Kingdom and Portugal.

GAMMADELTA THERAPEUTICS LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Business review

Financial Highlights

The financial performance and position of the Group for the year ending 31 March 2021 is set out on pages 12 to 40 and shows revenue of £12,292,345 (2020: £10,633,156) and losses of £9,632,528 (2020: £5,289,556).

The Group has not paid or declared a dividend for the financial year ended 31 March 2021 (2020: Nil).

Operational Highlights

The Group's most advanced product candidate is an allogeneic blood-derived variable $\delta 1$ $\gamma \delta$ T cell therapy, GDX012. GDX012 is a potentially first in class therapeutic product for the treatment of certain haematological malignancies. On 01 March 2021, the Company was granted orphan drug designation for its allogeneic enriched variable $\delta 1$ $\gamma \delta$ T cell therapy for the treatment of acute myeloid leukaemia.

In addition to GDX012, during the year ending 31 March 2021, the Group has progressed the development of its blood-resident $\gamma \delta$ T cell research platform and the development of further products resulting from this platform, including a product combining a certain Chimeric Antigen Receptor (CAR) with its blood-derived variable $\delta 1$ $\gamma \delta$ T cells (CAR-T cells) as a product candidate for specific haematological cancers.

The Group has also progressed the development of its tissue-resident $\gamma \delta$ T cell platform and the development of its first CAR-T cell product candidate resulting from this platform that is anticipated to possess a product profile with specific advances in the treatment of solid tumours.

The Group is continuing to leverage its research and development platforms to support the development of additional proprietary products candidates for solid tumours and haematological tumours.

During the year ending 31 March 2021, the Group has increased its headcount and office/laboratory facilities in London, UK to support its research and development activities (see note 8 of the financial statements).

G2 Growth Shares

During the year ending 31 March 2021, 289,090 G2 Growth Shares in the capital of the Company were issued to employees and directors of, and consultants to the Company under equity incentive plans. The total charge to the statement of comprehensive income relating to the issues of the G2 growth shares for the year ended 31 March 2021 was £1,447,688. As at 31 March 2021, there were also unrecognised costs related to unvested G2 growth shares of £1,137,577. These costs are anticipated to be recognised over the next three years (see also note 20).

SARs-CoV-2

Following the emergence of the SARS-CoV-2 virus and the resulting disease, COVID-19, the World Health Organisation declared COVID-19 as a pandemic on 11 March 2020. During the year ending 31 March 2021, the Company performed risk assessments, and implemented policies in line with UK government guidance to manage the risks to the health and safety of its employees. Within the year ending 31 March 2021, the Group's laboratories were temporarily closed for a short period of time, while the Group continued to manage and progress research and development activities for its product candidates under ongoing work with its contract research organisations. The Board and the Group's senior management team regularly review the measures in place to manage the risk to the Group's employees and ensure advancement of its research and development programmes.

GAMMADELTA THERAPEUTICS LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Principal risks and uncertainties

The performance, solvency and liquidity of the Group are subject to, in common with other research and development businesses, certain risks and uncertainties that may impact its operations and the progress towards, and achievement of, its strategic objectives. The Group's senior management team seek to mitigate such risks through internal processes and controls, where practicable.

Investment risks

The Group anticipates incurring further losses under its current business model, as it continues to further develop its product candidates into and through clinical evaluation. If certain research and development milestones are not achieved, or other financing secured, under arrangements/facilities in place between the Company and Takeda Pharmaceutical Company Limited the current cash balance may not be sufficient to fund the Group's operation for a period of 12 months following the approval of the financial statements. As such the Group may require further external funding. The Group's prospects of raising new investment to the Group's operations may be dependent on the generation of data supporting the differentiated or superior nature of the Group's product candidates over existing standard of care treatments. As such further investment may not be available, or if available, could involve terms, and conditions that result in a delay to the Groups operations and product development programmes or dilution to the Group's shareholders.

Product Development risks

The Group's commercial viability may be dependent on the success of clinical studies evaluating the safety and effectiveness of its cellular immunotherapies, such as GDX012. Clinical studies may be delayed, placed on hold, unsuccessful or not reflect results observed in preclinical studies. Further, even if clinical studies for the Groups' product candidates are successful, data may be insufficient to support further development, regulatory approval or commercialisation.

Intellectual Property risks

The Group's ability to successfully commercialise or partner its product candidates is dependent upon obtaining protection of its intellectual property rights including those for its processes, technologies, products and their uses. The Group has an active process of assessing, securing and maintaining its intellectual property rights globally, and monitoring third party intellectual property rights, which is reviewed on a regular basis.

Vendor and Supply Chain risks

The Group's operations are in part dependent upon third contact research organisations, contract manufacturing organisations and suppliers to deliver services and materials to support the development of the Group's products. Such organisations may fail to deliver, or be delayed in delivering the required services or materials to support development of the Groups products. The Group undertakes audits of certain vendors providing services, including those subject to GxP, and materials to qualification such vendors and suppliers to support development of the Group's products. The Group's annual audit schedule is reviewed and approved by the board of directors, at least annually.

Financial risks

The Group's financial risk management is detailed in note 19 to the financial statements.

GAMMADELTA THERAPEUTICS LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Key performance indicators

The key performance indicators for the Group include:

- monitoring the scientific progress of the Group's technology platforms and development of its product candidates towards objective milestones;
- financial review by the board of directors, at least annually, of research and development costs as a proportion of total Group expenditure;
- financial review by the board of directors, at least annually, of the forecast expenditure of the Group ensuring sufficient funds to support continuing operations;
- financial review of research and development expenditure by the Group's senior management team and variances to forecasts on a monthly basis; and
- management of cashflow, cash reserves and planning for and determining timing for future financing.

As at 31 March 2021, the shareholders funds of the Group total £12,420,885 (2020: £20,605,443). During the year the overall cash decrease was £8,016,158 (2020: £647,410).

This report was approved by the board on 27 July 2021 and signed on its behalf.


Paolo Paoletti
Director

GAMMADELTA THERAPEUTICS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

Results and dividends

The loss for the year, after taxation, amounted to £9,616,231 (2020 - loss £5,306,189).

No dividend was declared or paid during the year (2019: £Nil).

Directors

The directors who served during the year were:

Peter Goodfellow
Timothy Haines
Adrian Hayday
Michael Owen
Paolo Paoletti
Daniel Kemp (resigned 1 April 2021)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

-In April 2021, the Group filed its first Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) for its most advanced product candidate, GDX012, and subsequently received clearance to proceed to initiate a Phase 1 clinical study in patients with certain haematological cancers. The Group anticipates initiating the Phase 1 clinical trial for GDX012 during 2021, and anticipates the submission of an IND for further product candidate during 2022.

GAMMADELTA THERAPEUTICS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Qualifying third party indemnity provisions

The Group has granted indemnities to each of its Directors in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities as Directors to the extent permitted by the Companies Act 2006. Such qualifying third party indemnity provisions remain in force at the point of approving the Directors' report.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is 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 and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 July 2021 and signed on its behalf.



Paolo Paoletti
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAMMADELTA THERAPEUTICS LTD

Opinion

We have audited the financial statements of GammaDelta Therapeutics Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Consolidated Analysis of Net Debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 the 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, 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.

Material uncertainty related to going concern

We draw attention to note 2.1 in the financial statements, which indicates that the Group's and Company's ability to continue in operational existence for a period of at least 12 months from the date of signing these financial statements is dependent on the raising of further funding. As stated in note 2.1, this event or condition, along with the other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAMMADELTA THERAPEUTICS LTD
(CONTINUED)**

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAMMADELTA THERAPEUTICS LTD (CONTINUED)

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 GAMMADELTA THERAPEUTICS LTD
(CONTINUED)**

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

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the Group and determined that the most significant are those that relate to the operational environment, the financial reporting framework (FRS102 and Companies Act 2006) and relevant tax compliance regulations;
- We obtained an understanding of how the Group is complying with these legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes;
- We assessed the susceptibility of the Group's financial statements to material misstatement including how fraud might occur. Audit procedures included:
 - Identifying and assessing the design effectiveness of management's controls designed to prevent and detect irregularities
 - Challenging assumptions and judgements made by management in its evaluation of accounting estimates
 - Identifying and testing journal entries;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations; and
- It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAMMADELTA THERAPEUTICS LTD
(CONTINUED)**

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.

Grant Thornton UK LLP

Stephen Wyborn
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

30 July 2021

GAMMADELTA THERAPEUTICS LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	12,292,345	10,633,156
Gross profit		12,292,345	10,633,156
Research and development costs		(14,717,208)	(11,553,506)
Administrative expenses		(7,951,044)	(4,867,126)
Other operating income	5	908,538	758,412
Operating loss	6	(9,467,369)	(5,029,064)
Interest receivable and similar income	10	18,572	125,707
Interest payable and expenses	11	(167,434)	(402,600)
Loss before taxation		(9,616,231)	(5,305,957)
Tax on loss		-	(232)
Loss for the financial year		(9,616,231)	(5,306,189)
Currency translation differences		(16,297)	16,633
Other comprehensive income for the year		(16,297)	16,633
Total comprehensive income for the year		(9,632,528)	(5,289,556)
(Loss) for the year attributable to:			
Owners of the parent Company		(9,616,231)	(5,306,189)
		(9,616,231)	(5,306,189)
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(9,632,528)	(5,289,556)
		(9,632,528)	(5,289,556)

There were no recognised gains and losses for 2021 or 2020 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD
REGISTERED NUMBER: 10238425

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	3,079,176	3,625,765
Tangible assets	14	2,535,405	2,761,166
		<u>5,614,581</u>	<u>6,386,931</u>
Current assets			
Debtors: amounts falling due within one year	16	3,062,713	2,104,220
Cash at bank and in hand	17	11,778,998	19,795,156
		<u>14,841,711</u>	<u>21,899,376</u>
Creditors: amounts falling due within one year	18	(8,035,407)	(7,680,864)
Net current assets		<u>6,806,304</u>	<u>14,218,512</u>
Total assets less current liabilities		<u>12,420,885</u>	<u>20,605,443</u>
Net assets		<u>12,420,885</u>	<u>20,605,443</u>
Capital and reserves			
Called up share capital	20	6,881	6,599
Share premium account	21	29,717,932	29,717,932
Capital redemption reserve	21	12	6
Merger reserve	21	45,650	45,650
Profit and loss account	21	(17,349,590)	(9,164,744)
Equity attributable to owners of the parent Company		<u>12,420,885</u>	<u>20,605,443</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2021.



Paolo Paoletti
Director


The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD
REGISTERED NUMBER:10238425

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	49,361	82,694
Tangible assets	14	2,535,405	2,761,166
Investments	15	5,204,410	5,294,688
		<u>7,789,176</u>	<u>8,138,548</u>
Current assets			
Debtors: amounts falling due within one year	16	3,008,949	2,051,157
Cash at bank and in hand	17	11,370,588	19,288,587
		<u>14,379,537</u>	<u>21,339,744</u>
Creditors: amounts falling due within one year	18	(7,996,391)	(7,642,465)
Net current assets		<u>6,383,146</u>	<u>13,697,279</u>
Total assets less current liabilities		<u>14,172,322</u>	<u>21,835,827</u>
Net assets		<u><u>14,172,322</u></u>	<u><u>21,835,827</u></u>
Capital and reserves			
Called up share capital	20	6,881	6,599
Share premium account	21	29,717,932	29,717,932
Capital redemption reserve	21	12	6
Merger reserve	21	45,650	45,650
Profit and loss account brought forward		(7,934,360)	(3,252,098)
Loss for the year		(9,111,475)	(4,682,256)
Other changes in the profit and loss account		1,447,682	(6)
Profit and loss account carried forward		<u>(15,598,153)</u>	<u>(7,934,360)</u>
		<u><u>14,172,322</u></u>	<u><u>21,835,827</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2021.


Paolo Paoletti
 Director

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 April 2020	6,599	29,717,932	6	45,650	(9,164,744)	20,605,443
Comprehensive income for the year						
Loss for the year	-	-	-	-	(9,616,231)	(9,616,231)
Currency translation differences	-	-	-	-	(16,297)	(16,297)
Other comprehensive income for the year	-	-	-	-	(16,297)	(16,297)
Total comprehensive income for the year	-	-	-	-	(9,632,528)	(9,632,528)
Purchase of own shares	-	-	6	-	-	6
Shares issued during the year	289	-	-	-	-	289
Shares cancelled during the year	(7)	-	-	-	-	(7)
Transfer to Capital Redemption Reserve	-	-	-	-	(6)	(6)
Share based payment	-	-	-	-	1,447,688	1,447,688
Total transactions with owners	282	-	6	-	1,447,682	1,447,970
At 31 March 2021	6,881	29,717,932	12	45,650	(17,349,590)	12,420,885

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	6,605	29,717,932	-	45,650	(3,875,182)	25,895,005
Comprehensive income for the year						
Loss for the year	-	-	-	-	(5,306,189)	(5,306,189)
Currency translation differences	-	-	-	-	16,633	16,633
Other comprehensive income for the year	-	-	-	-	16,633	16,633
Total comprehensive income for the year	-	-	-	-	(5,289,556)	(5,289,556)
Purchase of own shares	-	-	6	-	-	6
Shares purchased and cancelled during the year	(6)	-	-	-	-	(6)
Transfer to Capital Redemption Reserve	-	-	-	-	(6)	(6)
Total transactions with owners	(6)	-	6	-	(6)	(6)
At 31 March 2020	6,599	29,717,932	6	45,650	(9,164,744)	20,605,443

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2020	6,599	29,717,932	6	45,650	(7,934,360)	21,835,827
Comprehensive income for the year						
Loss for the year	-	-	-	-	(9,111,475)	(9,111,475)
Contributions by and distributions to owners						
Purchase of own shares	-	-	6	-	-	6
Shares issued during the year	289	-	-	-	-	289
Shares purchased and cancelled during the year	(7)	-	-	-	-	(7)
Transfer to Capital Redemption Reserve	-	-	-	-	(6)	(6)
Share based payment	-	-	-	-	1,447,688	1,447,688
At 31 March 2021	6,881	29,717,932	12	45,650	(15,598,153)	14,172,322

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	6,605	29,717,932	-	45,650	(3,252,098)	26,518,089
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,682,256)	(4,682,256)
Contributions by and distributions to owners						
Purchase of own shares	-	-	6	-	-	6
Shares purchased and cancelled during the year	(6)	-	-	-	-	(6)
Transfer to Capital Redemption Reserve	-	-	-	-	(6)	(6)
Total transactions with owners	(6)	-	6	-	(6)	(6)
At 31 March 2020	6,599	29,717,932	6	45,650	(7,934,360)	21,835,827

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(9,616,231)	(5,306,189)
Adjustments for:		
Amortisation of intangible assets	456,312	466,049
Depreciation of tangible assets	638,405	564,704
(Profit)/loss on disposal of tangible assets	(250)	27,302
Interest paid	167,434	402,600
Interest received	(18,572)	(125,707)
(Increase) in debtors	(958,491)	(948,285)
Increase/(decrease) in creditors	550,929	(170,197)
Share based payment charge	1,447,688	-
Net cash used in operating activities	<u>(7,332,776)</u>	<u>(5,089,723)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(100,000)
Purchase of tangible fixed assets	(412,644)	(2,010,632)
Sale of tangible fixed assets	250	-
Interest received	18,572	125,707
Payment of deferred consideration	(289,842)	-
Net cash used in investing activities	<u>(683,664)</u>	<u>(1,984,925)</u>

GAMMADELTA THERAPEUTICS LTD

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from financing activities		
Issue of ordinary shares	289	7,722,065
Re-purchase and cancellation of growth shares	(7)	(6)
Net cash from financing activities	<u>282</u>	<u>7,722,059</u>
Net (decrease)/increase in cash and cash equivalents	<u>(8,016,158)</u>	<u>647,411</u>
Cash and cash equivalents at beginning of year	19,795,156	19,147,745
Cash and cash equivalents at the end of year	<u><u>11,778,998</u></u>	<u><u>19,795,156</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,778,998	19,795,156
	<u><u>11,778,998</u></u>	<u><u>19,795,156</u></u>

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	19,795,156	(8,016,158)	11,778,998
	<u>19,795,156</u>	<u>(8,016,158)</u>	<u>11,778,998</u>

The notes on pages 22 to 40 form part of these financial statements.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

GammaDelta Therapeutics Limited is a private company limited by shares incorporated on 17 June 2016 in England and Wales and its registered head office is Westworks 195 Wood Lane, White City Place, London, W12 7FQ.

The principal activity is that of research and experimental development in biotechnology.

The financial statements are presented for the year to 31 March 2021.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

Going concern

On 8 May 2017 the Company completed an equity funding round, raising \$27.5m, to support its research and development activities and a further \$10m was secured in March 2019. Alongside the equity funding round the Company also entered into a collaboration agreement with Millennium Pharmaceuticals, Inc (a subsidiary of Takeda Pharmaceutical Company Limited) on 8 May 2017, which provides a further funding facility to support the Group's and Company's research and development activities.

The directors have reviewed the Group's business plan, including cashflow projections for the Group covering the next 12 months period from the date of approval of these financial statements. The directors have also considered (i) the macro-economic uncertainties presented by COVID-19 to mitigate the potential impact of COVID-19 on the cashflow projections for the Group, and (ii) the working capital available to the Group under existing arrangements and funding facilities and in particular receipt of contingent payments that are subject to achievement of certain research and development milestones.

Based on the Group's current intentions, regardless of whether such research and development milestones are achieved further financing would need to be secured by the Group within the next 12 month period from the date of approval of these financial statements.

On the basis of the continuing advancement of the Group's research and development activities and their assessments of the Group's business plan the directors have a reasonable expectation that the Group will be able to raise further financing such that the Group and Company (i) will be able to continue to meet its liabilities as and when they fall due, and (ii) will be able to continue to execute on its business plan. As such, the financial statements have been prepared on a going concern basis.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

However, as further funding is not yet committed there is a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. The Group and Company financial statements do not include the adjustments that would result if they were unable to continue as a going concern.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to the deferred consideration creditor are presented in the Statement of Comprehensive Income within 'interest payable'. All other foreign exchange gains or losses are presented in the Statement of Comprehensive Income within administrative expenses.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.4 Revenue

Collaboration income

Turnover from research and development activities is measured based on costs incurred for work performed to date which can be recharged under the collaboration agreement. Turnover is recognised as related costs are incurred.

License income and option fees

Licence income and option fees are recognised when the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transaction will flow to the entity given monies have been received and there are no outstanding performance obligations from the Company.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

Research and development costs are charged to the profit and loss in the year of expenditure.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Tax credits arising from Research and Development Expenditure Credits (RDEC) are reported within operating income.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Goodwill is amortised over ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 3 years straight-line
Laboratory equipment	- 5 years straight-line
Fixtures and fittings	- 5 years straight-line
Office equipment	- 3 years
Tenant improvements	- straight-line over lease term

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including deferred consideration payments, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments that are classified as basic (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured at the difference between an asset's carrying amount and the present value of the estimated cash flow discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in detail in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities as at the date of reporting the financial statements, and the reported amounts of revenue and expenditure during the period.

These estimates and judgements are continually evaluated and based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances prevailing at that time. In preparation of the Group's financial statements, estimates and assumptions have been made by the directors concerning the present value of the investment in Lymphact - Lymphocyte Activation Technologies, S.A (a wholly owned subsidiary of the Company - see note 15) based on the timing of milestones, non-recognition of deferred tax assets, the estimated useful lives of assets, and accruals required. In 2021 as detailed in Note 20 in determining the value and charge in respect of the Growth shares issued to employees, management have applied judgement as to the valuation method applied and have made estimates as to the inputs. Actual amounts may differ from those estimates.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Collaboration income	12,185,597	10,009,363
Licence fee income	-	575,000
Recharge of services and goods	106,748	48,793
	<u>12,292,345</u>	<u>10,633,156</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	106,748	623,793
Rest of the world	12,185,597	10,009,363
	<u>12,292,345</u>	<u>10,633,156</u>

5. Other operating income

	2021 £	2020 £
RDEC income	908,538	758,412
	<u>908,538</u>	<u>758,412</u>

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Research & development costs	14,717,208	11,553,506
Exchange differences	1,337,092	(296,512)
Depreciation of tangible assets	638,405	564,704
Other operating lease rentals	480,158	628,374
Amortisation of intangible assets	456,312	466,049
	<u>17,639,175</u>	<u>12,916,121</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	32,650	23,200
	<u>32,650</u>	<u>23,200</u>

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	12,600	9,400
Taxation compliance services	2,250	1,900
Other services relating to taxation	19,350	3,450
Other services	9,350	8,000
	<u>43,550</u>	<u>22,750</u>

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	4,751,064	3,962,623	4,751,064	3,962,623
Social security costs	560,250	471,168	560,250	471,168
Cost of defined contribution scheme	299,039	261,476	299,039	261,476
	<u>5,610,353</u>	<u>4,695,267</u>	<u>5,610,353</u>	<u>4,695,267</u>

Aggregate remuneration payable to key management personnel was £1,593,796 (2020: £1,404,404). The total charge under share based payments in respect of growth shares for key management personnel is £674,883 (2020: £nil), this is not included in the £1.59m.

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	<i>Group 2020 No.</i>	Company 2021 No.	<i>Company 2020 No.</i>
Average number of employees	<u>55</u>	<u>51</u>	<u>55</u>	<u>51</u>

9. Directors' remuneration

	2021 £	<i>2020 £</i>
Directors' emoluments	<u>520,973</u>	<u>446,390</u>

The highest paid director received remuneration of £420,973 (2020 - £346,390).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £Nil).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £Nil (2020 - £Nil).

The total charge under share based payments in respect of growth shares for directors is £281,881 (2020: £nil).

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>18,572</u>	<u>125,707</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Finance costs on deferred consideration	<u>167,434</u>	<u>402,600</u>

12. Taxation

	2021 £	2020 £
Foreign tax for the year	-	232
	<u>-</u>	<u>232</u>
Total current tax	<u>-</u>	<u>232</u>
Deferred tax		
	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>232</u>

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(9,616,232)	(5,305,957)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(1,827,084)	(1,008,132)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	313,011	132,186
Fixed asset differences	54,545	40,535
Goodwill amortisation	86,699	85,261
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	35,432	36,148
Adjust deferred tax opening and closing rate to average rate of 19%	-	(26,384)
Deferred tax not recognised	1,337,397	740,618
Total tax charge for the year	-	232

Factors that may affect future tax charges

The Company has tax losses of £12.666m (2020: £5.092m) which have been carried forward to utilise against future trading profits. A deferred tax asset of £2.281m (2020: £0.932m) has not been recognised in the financial statements on the grounds that it is not reasonably certain of sufficient profits being generated to utilise these tax losses.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Intangible assets**Group**

	IP Licenses £	Goodwill £	Total £
Cost			
At 1 April 2020	100,000	4,408,124	4,508,124
Movement in the year	-	(90,277)	(90,277)
At 31 March 2021	100,000	4,317,847	4,417,847
Amortisation			
At 1 April 2020	17,306	865,053	882,359
Charge for the year	33,333	422,979	456,312
At 31 March 2021	50,639	1,288,032	1,338,671
Net book value			
At 31 March 2021	49,361	3,029,815	3,079,176
At 31 March 2020	82,694	3,543,071	3,625,765

Amortisation on intangible assets is charged to Administration Expenses in the Statement of Comprehensive Income. See note 15 for information regarding the movement in the year.

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Intangible assets (continued)**Company****IP Licenses
£****Cost**

At 1 April 2020	100,000
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At 31 March 2021	<u>100,000</u>
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Amortisation

At 1 April 2020	17,306
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Charge for the year	33,333
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At 31 March 2021	<u>50,639</u>
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Net book value

At 31 March 2021	<u>49,361</u>
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At 31 March 2020	<u><u>82,694</u></u>
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GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Tangible fixed assets**Group and Company**

	Leasehold property £	Laboratory equipment £	Fixtures and fittings £	Office equipment £	Tenants improvements £	Total £
Cost or valuation						
At 1 April 2020	147,986	1,409,015	110,976	249,212	1,870,140	3,787,329
Additions	-	318,959	-	45,381	48,304	412,644
Disposals	-	-	-	(3,464)	-	(3,464)
At 31 March 2021	147,986	1,727,974	110,976	291,129	1,918,444	4,196,509
Depreciation						
At 1 April 2020	147,986	576,822	18,779	124,106	158,470	1,026,163
Charge for the year on owned assets	-	280,720	22,195	79,546	255,944	638,405
Disposals	-	-	-	(3,464)	-	(3,464)
At 31 March 2021	147,986	857,542	40,974	200,188	414,414	1,661,104
Net book value						
At 31 March 2021	-	870,432	70,002	90,941	1,504,030	2,535,405
At 31 March 2020	-	832,193	92,197	125,106	1,711,670	2,761,166

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	5,294,688
Movement in the year	(90,278)
At 31 March 2021	<u>5,204,410</u>
Net book value	
At 31 March 2021	<u><u>5,204,410</u></u>
<i>At 31 March 2020</i>	<u><u>5,294,688</u></u>

On 31 May 2018 the Company acquired 100% of Lymphact – Lymphocyte Activation Technologies, S.A. for equity and cash consideration which is subject to achievement of certain milestones. The cash consideration included approx €2m of initial payments. During the financial reporting period to 31 March 2021, the timing of the milestones attached to the deferred consideration moved from November 2020 to April 2021 resulting in a movement in the present value of the deferred consideration of £90,278.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Lymphocyte Activation Technologies, S.A.	Parque Tecnologico de Cantanhede, Lote 2,3060-197 Cantanhede, Portugal	Ordinary/ A shares	100%

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,809	61,035	1,809	61,035
Other debtors	1,230	71,278	1,230	71,278
Prepayments and accrued income	1,786,298	420,801	1,782,428	420,419
VAT	386,409	199,933	336,515	147,252
Tax recoverable	886,967	1,351,173	886,967	1,351,173
	<u>3,062,713</u>	<u>2,104,220</u>	<u>3,008,949</u>	<u>2,051,157</u>

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	11,778,998	19,795,156	11,370,588	19,288,587

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	1,578,652	799,006	1,577,422	797,732
Other taxation and social security	598,273	394,237	598,273	394,237
Other creditors	3,512,479	5,030,977	3,512,479	5,030,977
Accruals and deferred income	2,346,003	1,456,644	2,308,217	1,419,519
	<u>8,035,407</u>	<u>7,680,864</u>	<u>7,996,391</u>	<u>7,642,465</u>

GAMMADELTA THERAPEUTICS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Financial risk management

The Group has exposure to liquidity risk and credit risk.

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through cash raised from investment funding.

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, and accrued income. The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

The Group's exposure to the risk of changes in foreign exchange rates relates to receipt of Collaboration Income in USD and the Group's use of suppliers operating overseas, primarily denominated in USD and Euro's. At present the Group does not make use of financial instruments to minimise any foreign exchange gains or losses so any fluctuations in foreign exchange movements may have a material impact on the results from operating activities.

20. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1,405,166 (2020 - 1,405,166) Ordinary shares of £0.001 each	1,405	1,405
4,816,063 (2020 - 4,816,063) Preferred shares of £0.001 each	4,816	4,816
371,260 (2020 - 377,561) G1 Growth shares of £0.001 each	371	378
289,090 (2020: Nil) G2 Growth shares of £0.001 each	289	-
	<hr/> 6,881 <hr/>	<hr/> 6,599 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Share capital (continued)

In May 2020 the Company redesignated the Growth shares as G1 Growth Shares.

Preferred shares are entitled to an annual 8% dividend. The preferred dividend is subject to the availability of profits and board discretion. Any preferred dividend not declared in any financial year will lapse. Preferred shares carry one vote on an as converted basis.

On liquidation or sale of the Company the Preferred shares rank in priority to the Ordinary shares as to the return of the subscription price and any unpaid dividends. Preferred shares are convertible into Ordinary shares.

G1 and G2 Growth shares do not have any voting or dividend rights attached to them. On liquidation or sale of the Company, if the amount payable per share is greater than the Growth share hurdle, the Growth shares become a participating share and are entitled to a pro-rata allocation of sale proceeds alongside all other shares. The Growth share hurdle for G1 and G2 Growth shares are \$9.3375 and \$10.73 respectively.

During the year the Company purchased at nominal value and cancelled 6,301 G1 Growth shares at £0.001 each held by former employees.

The Company issued 288,908 G2 Growth shares at £0.001 each in January 2021 and a further 182 in February 2021.

In accordance with accounting standards, the Company is required to recognise an expense for the services received by the company in exchange for an equity-based payment. The cost is measured by reference to the fair value at the date of grant and is recognised over the vesting period which ends on the date on which the employees become fully entitled to the award. The directors determined that the fair value at the date of issue of the G2 Growth shares was £8.94 per share. The charge for the year ended 31 March 2021 was £1,447,688.

21. Reserves

Share premium account

Share premium arises from any premiums received on issue of share capital.

Capital redemption reserve

The Capital Redemption Reserve represents the cumulative nominal value of own shares acquired by the Company.

Merger Reserve

The Merger Reserve represents the consideration less nominal value in respect of the shares issued in the acquisition of Lymphact - Lymphocyte Activation Technologies, S.A.

Profit and loss account

The Profit and Loss Account includes the current year losses.

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22. Capital commitments

At 31 March 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements	151,192	7,854	151,192	7,854

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £299,039 (2020: £261,476). Contributions totalling £29,250 (2020: £35,359) were payable to the fund at the reporting date and are included in creditors.

24. Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	708,429	348,710	708,429	348,710
Later than 1 year and not later than 5 years	2,919,089	2,389,730	2,919,089	2,389,730
Later than 5 years	818,622	1,259,905	818,622	1,259,905
	4,446,140	3,998,345	4,446,140	3,998,345

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25. Related party transactions

During the period, King's College London (Shareholder) invoiced the Company £453,534 (2020: £842,502) for research and development costs it incurred under a research agreement with the Company. In addition, during the period, King's College London (Shareholder) invoiced the Company £nil (2020: £100,000) in relation to the exercise of an option in a technology licence agreement between King's College London (Shareholder), the Francis Crick Institute (Shareholder) and Cancer Research Technology Limited (Shareholder) and the Company (see note 13, Intangible Assets). There was £202,635 (2020: £21,844) in accruals and £544,240 (2020: £Nil) in trade creditors at the year-end.

In May 2017, the Company entered into a collaboration agreement with Millennium Pharmaceuticals Inc, a wholly owned subsidiary of Takeda Pharmaceutical Company Limited, a shareholder of the Company. Millennium Pharmaceuticals Inc has agreed to fund certain research costs incurred by the Company during the initial research term. The Company invoiced Millennium Pharmaceuticals, Inc. £10,788,206 (2020: £9,773,434) in relation to advance R&D costs. The total actual research costs incurred by the Company during the year in relation to the collaboration agreement which has been recognised as turnover during the year totalled £12,185,597 (2020: £10,009,363), leaving a balance within accrued income (2020: *other creditors*) outstanding at the year end of £92,910 (2020: £1,301,703)

Consultancy fees of £70,000 (2020: £65,183) were incurred by Gamma Delta Advisory Limited for the provision of services by Adrian Hayday, a director and shareholder of the Company; £55,000 (2020: £85,183) of which was invoiced during the year and £20,000 (2020: £5,000) is included within accruals. During the year consultancy and expenses amounting to £nil (2020: £9,000) were paid to members of the Board and shareholders.

Consultancy fees of £40,959 (2020: £50,004) were incurred by Faculdade de Medicina Lisboa for the provision of consultancy services by B Silva Santos, a shareholder of the Company; £40,959 (2020: £31,004) of which was invoiced during the year with £nil (2020: £3,483) of this amount included within trade creditors at the year-end. There was £19,000 (2020: £19,000) included in accruals at the year-end.

During the period, Cancer Research Technology Limited (Shareholder) invoiced the Company £8,000 (2020: £Nil) for technology licences.

There is no ultimate controlling party.

26. Post balance sheet events

In April 2021, under the sale and purchase agreement dated 31 May 2018 to acquire Lymphact – Lymphocyte Activation Technologies, S.A., deferred consideration of €3,900,000 was paid and 38,255 Ordinary shares were issued.