

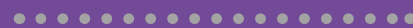


METRION BIOSCIENCES LTD
ANNUAL REPORT & ACCOUNTS 2023

Metrion Biosciences is a specialist ion channel contract research business.

We are leaders in the provision of high quality ion channel drug discovery and safety assessment services to the world-wide pharmaceutical and life sciences industry.

Founded in September 2015, the Company has established an international reputation for the accuracy and technical competence of its ion channel research and development services and the clarity of its interpretation and reporting.



COMPANY INFORMATION

DIRECTORS

J W Ford
K G McCullagh
J G Montana
A P Southan
C Ruddy
S A A Carle
D A Milroy

COMPANY SECRETARY

C Ruddy

REGISTERED NUMBER

09669815

REGISTERED OFFICE

First Floor Building 2
Granta Centre
Granta Park
Great Abington
Cambridge
Cambridgeshire
CB21 6AL

INDEPENDENT AUDITORS

Peters Elworthy & Moore
Chartered Accountants &
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA





METRION BIOSCIENCES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023
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METRION BIOSCIENCES LTD
CHAIRMAN'S STATEMENT

INTRODUCTION

Metrion Biosciences is a specialist preclinical CRO (contract research organisation) providing high quality ion channel drug discovery services and cardiac safety screening for pharmaceutical and life science companies worldwide.

Ion channels are membrane-bound proteins that are critical for the effective functioning of all organs and tissues throughout the body. They regulate the flows of charged atoms across cell membranes which in turn generate the electrical signals that create impulses in nerves, transmit messages within the central and peripheral nervous systems, drive contractions of cardiac, skeletal and smooth muscles, enable sensory perception, initiate cell movement, activate hormone secretion and control many other tissue pathways. In a real sense, ion channels are vital enablers of life and abnormalities in their function can give rise to a wide range of diseases and medical conditions. It is therefore not surprising that ion channels have become an important class of protein targets for pharmaceutical research and development.

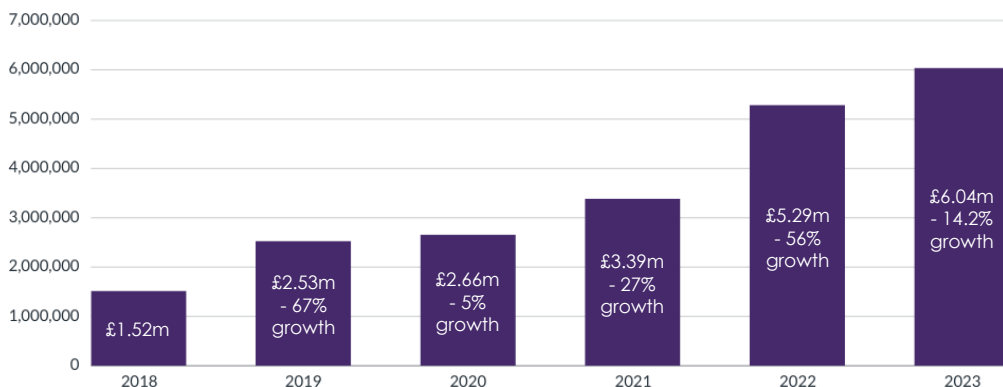
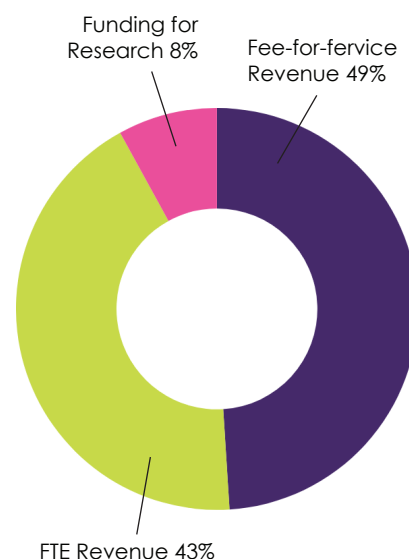
The accurate measurement of ion channel functionality and responses to drug action is challenging and requires sophisticated electrophysiological equipment and expertise. Metrion has established itself as a leader in this field.

BUSINESS PERFORMANCE

I am pleased to report that revenues continued to grow in 2023, although at a slower rate than 2022. Overall revenues were £6.04m, an increase of 14.2% on last year and a strong performance given the widely reported slow-down in the overall pharma outsourced services market in 2023. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were negative at (£400k) as the Company invested for future growth, principally in the form of additional, but yet to be occupied, office and laboratory space. Excluding the non-operating P&L costs of the additional space results in an operating EBITDA of (£12k).

REVENUES

+ 14%
 TO £6.04M



METRION BIOSCIENCES LTD

CHAIRMAN'S STATEMENT

CARDIAC SAFETY SCREENING

Metrion provides a broad suite of cardiac safety assays for screening of new compounds in drug discovery. In August 2023 the Company received approval from the UK Medicines and Health Regulatory Authority to add Good Laboratory Practice (GLP) hERG cardiac safety screening to its services. GLP compliant cardiac safety screening is a necessary step in the approval of all new drug compounds prior to entering human clinical trials. The Company launched its new GLP service in the second half of 2023 and is currently conducting studies for major international pharmaceutical companies.

NEW EQUITY INVESTMENT

During 2023, the Metrion board took the decision to raise new equity capital for future investment in additional laboratory facilities, equipment and working capital. The financing was completed on 4th December 2023, with gross proceeds of £3.7m. The round was led by Maven Capital Partners, who we welcome as a new shareholder, and was supported by existing investors, Gresham House and o2h.



METRION BIOSCIENCES LTD CHAIRMAN'S STATEMENT

BOARD, MANAGEMENT AND STAFF

I am pleased to welcome Dr David Milroy, a Partner at Maven Capital Partners, as a new Investor Director. He brings significant private equity and life science investment experience to the board. In addition, Steven Carle, took over from Maya Ward as Gresham House's Investor Director on completion of the new financing. I would like to welcome Steven, who brings to the board more than 30 years of experience in private equity and development capital, and at the same time thank Maya for her diligent and helpful role in support of Metrion's growth over the last 3 years.

Metrion's board underwent significant further change with the new financing. In particular, Dr Marc Rogers, a founder of the Company, Dr Barry Kenny, a director since 2018 and Mark Keogh, who joined the board in 2021, all stepped down as directors on completion of the financing. On behalf of the Company, its management and staff, I thank all three of them for their dedicated service and commitment over many years. I also congratulate Clare Ruddy, who on completion of the new investment, was promoted to the board as Finance Director and Chief Financial Officer. Dr Andrew Southan continues as CEO and I would like to thank him for his experienced leadership of the Company, guiding the business successfully throughout the year and at the same time supporting the financing.

In addition to Clare's promotion to executive director, Andy Southan strengthened the Company's management team in mid-year by promoting Dr Robert Kirby to the role of Chief Operating Officer and Dr Edward Stevens to the position of Chief Scientific Officer. In addition, Dr Steven Jenkinson, an experienced R&D executive from Pfizer, joined the Company in January 2023 as VP Drug Discovery and Safety Assessment USA.

Metrion's vision of building a world class specialist ion channel CRO is a team effort and can only be achieved through the hard work, dedication and skill of staff at all levels. Their commitment and expertise in generating the highest quality scientific data, and their attention to the quality of daily operations and outstanding customer service is the core of the Company's ethos. On behalf of the board and the Company's shareholders, I thank all our staff for their contributions during the year.



David Milroy, Director



Steven Carle, Director

METRION BIOSCIENCES LTD
CHAIRMAN'S STATEMENT



OUTLOOK

Metrion commenced 2024 in a well-financed position and aims in 2024 to strengthen and broaden its revenue streams through the addition of new cardiac safety services, high throughput screening capabilities and innovative neuroscience tissue and stem cell assays. At the same time, the Company plans to strengthen its international business development and marketing activities. The Company's strategic vision remains unaltered, to become the leading world-wide centre of excellence in contract ion channel drug discovery and safety services.

A handwritten signature in black ink, reading "K. McCullagh".

Keith McCullagh
Chairman
17th July 2024



METRION BIOSCIENCES LTD

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

During the year, the Company's principal activity was ion channel contract research and collaborative drug discovery services for the world-wide pharmaceutical, biotech and life sciences industry.

DIRECTORS

The directors who served during the year were:

J W Ford
B A Kenny (resigned 4 December 2023)
M W Keogh (resigned 4 December 2023)
K G McCullagh
J G Montana
M Rogers (resigned 4 December 2023)
A P Southan
M C Ward (resigned 18 December 2023)
C L Ruddy (appointed 4 December 2023)
S A A Carle (appointed 18 December 2023)
D A Milroy (appointed 4 December 2023)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 Company will continue in business.

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

METRION BIOSCIENCES LTD
DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Keith McCullagh
Director
17th July 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METRION BIOSCIENCES LIMITED

OPINION

We have audited the financial statements of Metrion Biosciences Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METRION BIOSCIENCES LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METRION BIOSCIENCES LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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:

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METRION BIOSCIENCES LIMITED (CONTINUED)

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- we tested significant transactions, in particular the evaluation of the business rationale for any which appeared unusual or outside the company's normal course of business.

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

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

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

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

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

METRION BIOSCIENCES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METRION BIOSCIENCES LIMITED (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 Auditors' 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.

James Burrett (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge CB1 2LA
Date: 17th July 2024

METRION BIOSCIENCES LTD
**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	3	6,037,824	5,289,291
Cost of sales		(2,586,499)	(2,055,104)
GROSS PROFIT		3,451,325	3,234,187
Administrative expenses		(4,481,777)	(3,341,556)
Other operating income	4	149,829	94,353
OPERATING LOSS	5	(880,623)	(13,016)
Interest receivable and similar income		844	318
Interest payable and similar expenses		(26,022)	(13,839)
LOSS BEFORE TAX		(905,801)	(26,537)
Tax on loss	8	189,016	27,706
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(716,785)	1,169

The notes on pages 18 to 28 form part of these financial statements.

METRION BIOSCIENCES LTD
BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	9	244,594	133,784
Tangible assets	10	1,873,176	2,134,069
Investments	11	100	100
		2,117,870	2,267,953
CURRENT ASSETS			
Stocks		158,297	151,649
Debtors: amounts falling due within one year	12	1,751,040	1,133,497
Cash at bank and in hand		3,263,764	884,461
		5,173,101	2,169,607
<i>Creditors: amounts falling due within one year</i>	13	(1,317,855)	(1,051,107)
NET CURRENT ASSETS		3,855,246	1,118,500
TOTAL ASSETS LESS CURRENT LIABILITIES		5,973,116	3,386,453
<i>Creditors: amounts falling due after more than one year</i>	14	(295,482)	(412,679)
NET ASSETS		5,677,634	2,973,774
CAPITAL AND RESERVES			
Called up share capital	15	14,838	10,358
Share premium account		7,204,736	3,797,799
Profit and loss account		(1,541,940)	(834,383)
		5,677,634	2,973,774

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



Keith McCullagh
 Director
 17th July 2024

The notes on pages 18 to 28 form part of these financial statements.

METRION BIOSCIENCES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
AT 1 JANUARY 2022	10,321	3,792,207	(841,290)	2,961,238
Profit for the year	-	-	1,169	1,169
Shares issued during the year	37	5,592	-	5,629
Employee share-based payments	-	-	5,738	5,738
AT 1 JANUARY 2023	10,358	3,797,799	(834,383)	2,973,774
Loss for the year	-	-	(716,785)	(716,785)
Shares issued during the year	4,480	3,740,966	-	3,745,446
Share issue costs	-	(334,029)	-	(334,029)
Employee share-based payments	-	-	9,228	9,228
AT 31 DECEMBER 2023	14,838	7,204,736	(1,541,940)	5,677,634

The notes on pages 18 to 28 form part of these financial statements.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. GENERAL INFORMATION

Metrion Biosciences Limited is a private company limited by shares and incorporated in England and Wales. Its registered office and principal place of business is First Floor Building 2 Granta Centre, Granta Park, Great Abington, Cambridge, CB21 6AL.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Company reported a loss of £716,785 in 2023 compared to a profit of £1,169 in 2022.

The Company ended the year with cash in the bank of £3.3m and the directors have adopted a budget for 2024 which delivers an increase in revenue. The directors are satisfied that this will enable the Company to meet its liabilities as they fall due.

2.3 TURNOVER

Turnover comprises revenue recognised by the Company in respect of contract research services supplied during the period and grant income, exclusive of Value Added Tax.

Revenue from fee-for-service contracts is recognised according to the percentage of completion of the service.

Revenue from subcontracting Metrion staff to customers is recognised based on the number of months staff have worked at the customer. Consumables used on subcontracting agreements are recharged to customers at the relevant markup when the items have been consumed.

Grants of revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Patents	-	10 years
Cell Lines	-	10 years

2.5 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:

Short-term leasehold property	-	Over the period of the lease
Plant and machinery	-	14% - 33% straight line
Office equipment	-	33% straight line
Computer equipment	-	33% straight line

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.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value.

2.8 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 CREDITORS

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

2.11 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

2. ACCOUNTING POLICIES (CONTINUED)

2.12 OPERATING LEASES

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.

2.13 PENSIONS

Defined Contribution Pension Plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.15 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.16 TAXATION

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

2.17 RESEARCH AND DEVELOPMENT

Research and development expenditure is recognised in the profit and loss account in the period in which it is incurred.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

2. ACCOUNTING POLICIES (CONTINUED)

2.18 SHARE-BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3. TURNOVER

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

	2023 £	2022 £
FTE funded contracts	2,613,778	3,154,047
Fee for service contracts	2,944,334	1,567,522
Funding of research activities	479,712	567,722
	6,037,824	5,289,291

4. OTHER OPERATING INCOME

	2023 £	2022 £
Research and development expenditure credits	149,829	94,353
	149,829	94,353

5. OPERATING LOSS

The operating loss is stated after charging:

	2023 £	2022 £
Non grant funded research and development expenditure	675,066	569,171
	675,066	569,171

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NOTES TO THE FINANCIAL STATEMENTS
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5. EBITDA

	2023	2022
	£	£
(Loss)/profit	(716,785)	1,169
Interest payable	26,022	13,839
Interest receivable	(844)	(318)
Corporation tax	(189,016)	(27,706)
Foreign exchange	53,531	(37,089)
Depreciation	403,123	332,795
Amortisation	24,123	18,508
Loss on sale of assets	90	42
	(399,756)	301,240

Non-operating costs of £42,468 were incurred in 2022 for rent and service charge of unused additional office space, to be refurbished. Underlying EBITDA for 2022 is £343,708.

Non-operating costs of £388,001 were incurred in 2023 for rent, service charge and rates of unused additional office space, to be refurbished. If these costs are excluded, underlying EBITDA for 2023 is negative £11,755.

7. EMPLOYEES

The average monthly number of employees, including directors, during the year was 49 (2022 - 42).

8. TAXATION

	2023	2022
	£	£
CORPORATION TAX		
Current tax on profits for the year	(71,102)	(27,706)
Adjustments in respect of previous periods	(117,914)	-
TOTAL CURRENT TAX	(189,016)	(27,706)

There are unrecognised tax losses available to offset against future taxable profits of £3,374,868 (2022 - £3,001,436).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

9. INTANGIBLE ASSETS

	Cell lines	Patents	Computer software	Total
	£	£	£	£
COST				
At 1 January 2023	76,764	135,231	-	211,995
Additions	103,108	21,941	9,884	134,933
At 31 December 2023	179,872	157,172	9,884	346,928
AMORTISATION				
At 1 January 2023	36,698	41,513	-	78,211
Charge for the year on owned assets	8,968	14,386	769	24,123
At 31 December 2023	45,666	55,899	769	102,334
NET BOOK VALUE				
At 31 December 2023	134,206	101,273	9,115	244,594
At 31 December 2022	40,066	93,718	-	133,784

10. TANGIBLE FIXED ASSETS

	Short-term leasehold property	Plant and machinery	Office equipment	Computer equipment	Total
	£	£		£	£
COST					
At 1 January 2023	589,280	2,145,176	42,032	75,084	2,851,572
Additions	42,505	92,209	2,558	5,090	142,362
Disposals	-	(1,700)	(499)	-	(2,199)
At 31 December 2023	631,785	2,235,685	44,091	80,174	2,991,735
DEPRECIATION					
At 1 January 2023	74,021	583,070	17,436	42,976	717,503
Charge for the year on owned assets	62,796	308,174	13,627	18,526	403,123
Disposals	-	(1,700)	(367)	-	(2,067)
At 31 December 2023	136,817	889,544	30,696	61,502	1,118,559
NET BOOK VALUE					
At 31 December 2023	494,968	1,346,141	13,395	18,672	1,873,176
At 31 December 2022	515,259	1,562,106	24,596	32,108	2,134,069

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies
	£
COST	
At 1 January 2023	100
At 31 December 2023	100

On 14 February 2018, Metrion Pharma Limited, a 100% subsidiary of the Company, was incorporated and is registered in England and Wales. The subsidiary was dormant from incorporation to the 31 December 2023.

12. DEBTORS

	2023	2022
	£	£
Trade debtors	817,274	509,839
Amounts owed by group undertakings	300	200
Other debtors	193,713	74,140
Prepayments and accrued income	554,063	427,259
Tax recoverable	185,690	122,059
	1,751,040	1,133,497

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	381,613	416,297
Other taxation and social security	62,381	50,483
Other creditors	164,649	203,708
Accruals and deferred income	709,212	380,619
	1,317,855	1,051,107

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the balance sheet date, unpaid contributions of £30,637 (2022 - £25,650) were due to the fund, which are included within other creditors.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Hire purchase liability	295,482	412,679
	295,482	412,679

15. SHARE CAPITAL

	2023	2022
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
561,198 (2022 - 540,674) Ordinary shares of £0.01 each	5,611.98	5,406.74
247,525 (2022 - 247,525) A Ordinary shares of £0.01 each	2,475.25	2,475.25
247,525 (2022 - 247,525) A Preference shares of £0.01 each	2,475.25	2,475.25
99 (2022 - 99) Deferred shares of £0.01 each	0.99	0.99
23,382 (2022 - NIL) B Ordinary shares of £0.01 each	233.82	-
210,437 (2022 - NIL) B Preference shares of £0.01 each	2,104.37	-
96,801 (2022 - NIL) 2023 A Ordinary shares of £0.01 each	968.01	-
96,801 (2022 - NIL) 2023 A Preference shares of £0.01 each	968.01	-
	14,837.68	10,358.23

On 24 August 2023 the Company issued 756 and 168 Ordinary shares of £0.01 each as a result of the exercise of share options at a price of £1.50 and £2.73 per share respectively.

On 4 December 2023 the Company allotted and issued:

- 18,706 Ordinary shares of 0.01 each at a price of £10.69 each;
- 96,801 2023 A Preference shares of 0.01 each at a price of £10.604 each;
- 96,801 2023 A Ordinary shares of 0.01 each at a price of £0.086 each;
- 23,382 B Ordinary shares of 0.01 each at a price of £10.69 each; and
- 210,437 B Preference shares of 0.01 each at a price of £10.69.

On 21 December 2023 the Company allotted and issued 894 Ordinary shares of 0.01 each at a price of £10.69.

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NOTES TO THE FINANCIAL STATEMENTS
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16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	703,777	512,528
Later than 1 year and not later than 5 years	2,944,884	2,912,440
Later than 5 years	1,829,810	2,566,031
	5,478,471	5,990,999

Metrion Biosciences Limited

First Floor Building 2
Granta Centre
Granta Park
Great Abington
Cambridge
CB21 6AL

+44 (0) 1223 919 100
info@metrionbiosciences.com

www.metrionbiosciences.com

