6 March 2018

# Preliminary results for the year ended 31 December 2017

Silence Therapeutics plc, AIM:SLN ("Silence" or "the Company") a leader in the discovery, delivery and development of novel RNA therapeutics for the treatment of serious diseases with unmet medical need, announces its unaudited preliminary results for the year ended 31 December 2017.

Silence Therapeutics' international team is driving pipeline development of RNA interference (RNAi) therapeutics, a highly innovative, specific, new class of medicines with life-saving potential for patients with serious and rare diseases, creating value in tandem for our stakeholders.

## Operational Highlights

- Generated and presented extensive, multi-faceted, pre-clinical data demonstrating clear proof of biologic mechanism and concept for Silence's two lead programmes for iron overload disorders and alcohol use disorder, planned to be in clinical development within 18 months.
- Data highlights included key findings in animal disease models representative of iron overload disorders, increasing confidence in Silence's lead candidate SLN124, planned to enter clinical development by the end of 2018.
- Recruited five high calibre individuals: Head of Intellectual Property, Chief Operating Officer, Head of Business Development and Licensing, Non-Executive Chair, and Head of Technology Innovation - all with leadership roles at both major global pharma and entrepreneurial biotechnology companies, as well as deep RNAi and oligonucleotide expertise.
- During 2017 Silence commenced UK litigation action against Alnylam Pharmaceuticals and The Medicines Company, who subsequently sought claims for revocation and declarations of non-infringement in respect of the patent in suit. In November 2017 Silence counterclaimed for threatened infringement of the patent in suit. It is likely that all issues between the parties will be heard at a trial beginning on, or around, 3 December 2018.

## Financial Highlights

- Loss after tax of £1.6 million (2016: £8.4 million)
- Cash and cash equivalents of £42.7 million (2016: £39.0 million)
- Net cash outflow from operating activities £9.6 million (2016: £10.1 million)
- Realised gain on disposals of Arrowhead Pharmaceuticals shares £9.1 million (2016: £nil)
- Significantly bolstered balance sheet cash with sale of Arrowhead Pharmaceuticals shares with proceeds totalling $24.3 million.

## Post Year-End Events

- New European patent (EP 1857547B) granted 17 January 2018 further protecting Silence's key siRNA chemical modifications that read widely across the RNAi industry.
- Disposal of the final portion of Arrowhead Pharmaceuticals shares in January 2018 with cumulative proceeds totaling $24.7 million and a cash balance of £43 million as of 2 January 2018.

**Ali Mortazavi, Chief Executive Officer of Silence Therapeutics, commented:**

*"2017 was a transformative and highly productive year for the Company. We believe Silence is well positioned to execute its strategy of transitioning into a drug development Company. We are also focused on securing strategic platform and pipeline deals in 2018 that validate our science and support the broadening of our pipeline and geographic footprint. We have established a rigorous target selection*

*process to drive creation of a deep pre-clinical pipeline - crucial to the long-term business strategy of the Company.*

*"We are excited by the potential of RNAi based therapies using our world class GalNAc-siRNA technology as we progress our lead asset into clinical trials, taking one step closer to making our therapeutic products available to patients, and all the while creating value in tandem for our stakeholders. In parallel, our technology innovation team continues to advance our next generation GalNAc-siRNA platform, and we intend to introduce this innovative technology into new pipeline products later in 2018. As Silence continues to adopt this growth strategy, and in order to continue to build value for our existing shareholders, the Company is currently exploring options to expand our international capital market presence, including the potential for a NASDAQ listing."*

**Dr. Annalisa Jenkins, Non-Executive Chair of Silence Therapeutics, commented:**
*"I am genuinely excited about the current window of opportunity to advance our leading technology platform into the clinic in the coming year. I have been highly impressed by the quality of the science and, specifically, the deep expertise in RNAi and associated technologies. Our R&D operation in Berlin has over 15 years of oligonucleotide discovery research expertise in high throughput screening, in vivo pharmacology and CMC (Chemistry, Manufacturing and Control). This is combined with remarkable people, and a culture that is dedicated to developing innovative new therapeutic options to change the lives of patients with serious diseases. I have great confidence in our ability to be a leader in the next generation of RNAi medicines. I believe that the team we are building will deliver a globally competitive and successful RNAi platform and drug development Company."*

## Enquiries:


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## Notes to Editors

### About Silence Therapeutics plc

Silence Therapeutics develops a new generation of medicines by harnessing the body's natural mechanism of RNA interference, or RNAi, within its cells. Our proprietary technology can selectively inhibit any gene in the genome, specifically silencing the production of disease-causing proteins. Using our enabling delivery systems, we have achieved an additional level of specificity by delivering our therapeutic RNA molecules exclusively to target cells. Silence's proprietary RNA chemistries and delivery systems are designed to improve the stability of our molecules and enhance effective delivery to target cells, providing a powerful modular technology well suited to tackle life-threatening diseases.
www.silence-therapeutics.com

## Chief Executive's Report

### Overview - A transformative year

2017 has been a year of transformation for Silence Therapeutics, building an international, sector-experienced Board and executive team and advancing its pre-clinical pipeline. Silence is well equipped to execute its strategy of transitioning into a drug development company, and is now a company with a powerful enabling technology which can essentially inhibit any gene in the liver, using its GalNAc-siRNA (short interfering RNA) platform.

The Company presented robust pre-clinical data at its Capital Markets Day in November 2017, demonstrating clear proof of biologic mechanism and concept for its two lead programmes. This data included key findings in animal disease models representative of human Iron overload disorders, which increased the Company's confidence in its lead candidate SLN124. SLN124 will enter clinical development by the end of 2018 and will be Silence's first GalNAc-siRNA candidate to generate data in humans. Silence's second programme, SLN226, designed to help patients with alcohol use disorder at high risk of fatal consequences is on track to follow suit with a CTA filing by mid-2019, potentially with a partner company.

Focus is also being given to rigorous new target selection processes to generate a deep pre-clinical pipeline which can undergo clear go/no-go gates to potential Clinical Trial Applications (CTAs). Target selection is crucial to Silence's long-term business strategy. This includes a highly experienced target selection team augmented by access to the highest calibre key opinion leaders and academic/industry liver groups who help the Company identify new targets and causal biological pathways.

Silence's Board and executive management have a strong track record of proven execution and expertise in the RNAi and oligonucleotide fields. In 2017, Silence made a number of high-profile appointments to the Board and senior management: Head of Intellectual Property, Alison Gallafent; Chief Operating Officer, Dr. Torsten Hoffmann; Head of Business Development and Licensing, Michael Mulqueen; Non-Executive Chair, Dr. Annalisa Jenkins and Dr. Marie Lindholm, Head of Technology Innovation. Together these individuals have decades of industry experience and notable successes combined with a passion to drive innovative medicine and bring therapies to patients with life threatening diseases.

### Maximising the platform

Given the vast number of opportunities in the liver, Silence plans to pursue different therapeutic opportunities selected in a risk-diversified manner, and focus on indications with high unmet need where the Company's therapies can make a dramatic difference to patients. Silence will take an approach that will allow the Company to develop treatments both for rare and non-rare conditions, periodically assessing options and seeking strategic partnerships for the larger markets.

### External partnerships

Silence's IP has already been validated through out-licensing to Quark Pharmaceuticals ("Quark"), and future licensing agreements are anticipated. In July 2017, Quark announced positive results of a Phase 2 trial evaluating the efficacy and safety of an siRNA treatment (QPI-1002) for the prevention of Acute Kidney Injury (AKI) in patients at high risk following cardiac surgery. This utilised Silence's proprietary chemical modification technology. Primary endpoints of the trial were met. The product is exclusively partnered with Novartis, who have an option for worldwide development and commercialisation in AKI. Novartis also has an option on QPI-1002 in Delayed Graft Function for which a Phase 3 study is ongoing. Silence awaits news from Quark as to the next steps in development of QPI-1002 in AKI.

Going forwards, Silence intends to build further partnerships based both on its pipeline programmes and on maximising the value of its platform technology. With regard to innovation, Silence plans to also

establish research collaborations with leading academic/industry groups to explore potentially synergistic combinations of cutting-edge technologies to enable improved and/or entirely new applications for RNAi therapies such as new delivery technologies to target different cell types.

## 2017 progress drives value creation

Silence stated that 2016-2018 would be the pivotal years when RNAi became a reality and this continues to be borne out as the first RNAi therapies have shown efficacy in late-stage human clinical trials. 2017 saw the first successful clinical Phase 3 RNAi results and the field is forecast to deliver a series of important new medicines in the coming five years, with first regulatory approvals expected in 2018. As a result of the tangible progress in RNAi and pipeline creation within each RNAi company, the field has attracted significant levels of capital in recent months. This has been reflected by expansion of company valuations with company share price performance significantly outstripping that of publicly listed biotech companies on average, and biotech companies with large market capitalisations of over $40 billion, in particular. Whilst the NBI Biotech index rose 18% in calendar year 2017, the shares of Silence and its peer group have risen 90% or more (source, Bloomberg). Silence aims to continue to create shareholder value as a result of its commitment to developing highly innovative and specific RNAi therapies for patients in need.

## Strong cash position

Given a significant rise in the share price of Arrowhead Pharmaceuticals, the Board decided to liquidate, in an orderly manner, Silence's near 10% investment stake in Arrowhead Pharmaceuticals during Q4 2017 and early January 2018. Cumulative net sale proceeds were $24.7 million, bolstering Silence's net cash balance which stood at £43 million on 2 January 2018. Silence thus has a strong cash position to drive the value of its platform technology and therapeutic portfolio. The Company will be deploying its capital on core drug development activities to reach value inflection points that may include clinical trial data and out-licensing of programmes.

## Strong Intellectual Property

Technology innovation is key to remaining at the forefront of disruptive new treatment modalities such as RNAi, and this is underpinned by intellectual property (IP). In recent years GalNAc conjugates have become the main accepted and clinically validated technology for optimised stability, delivery, targeting, specificity and efficacy of RNAi.

In 2017, Silence continued to strengthen its overall patent estate, and protection of its GalNAc siRNA IP in particular, by filing additional patents for several lead sequences, several linker chemistries, several RNAi constructs and modification rules. Silence believes that several granted claims protecting its proprietary chemical modification technology are relevant to third-party RNAi medicines and that, more generally, its foundational IP underpins the RNAi field. As part of Silence's determination to enforce its patent estate, litigation in the UK is ongoing in respect of one of its patents. This litigation is proceeding towards a trial in the High Court in London beginning on, or around, 3 December 2018. While Silence continues to develop further innovation and to protect its rights and inventions, the Company remains focused on executing its core business of drug discovery and development to continue to build its therapeutic pipeline.

## Outlook for 2018

2018 will be a year of continuity and building upon success to capture value. Silence will continue to execute on pipeline development, leveraging its platform to do so, and will be preparing to become a clinical stage company to advance its next generation RNAi technology. Silence will therefore be adding internal clinical development and regulatory capabilities to augment its existing strong research and development expertise. This is in anticipation of filing Silence's first GalNAc-siRNA CTA for the treatment of iron overload disorders by the end of 2018. The Company's second programme in alcohol use disorder is on track to follow suit with a CTA filing mid-2019, potentially being progressed through partnership. In

addition, a key objective will be to secure further validating, strategic R&D collaborations and out-licensing agreements utilising the Company's GalNAc-siRNA technology. As Silence continues to adopt this growth strategy, and in order to continue to build value for our existing shareholders, the Company is currently exploring options to expand our international capital market presence, including the potential for a NASDAQ listing.

**Ali Mortazavi**
Chief Executive Officer
6 March 2018

## Financial Review

### Research and development expenditure

Research and development expenses decreased by £0.8 million to £7.9 million for 2017 (2016: £8.7 million). Material costs decreased by £1.2 million to £0.8 million in 2017 (2016: £2.0 million): 2016 costs were primarily related to clinical costs on the Atu027 study which ended in 2016, whereas 2017 primarily represents costs for the new earlier stage GalNAc pipeline. Payroll related costs decreased by £0.8 million to £2.5 million in 2017 (2016: £3.3 million), partly offset by external contract research organisation costs, which increased by £0.9 million to £1.9 million in 2017 (2016: £1.0 million). This change in composition of R&D costs reflects a strategy to outsource more standard processes, whilst creating a more flexible in-house team with expertise focused on delivering innovation and pipeline progression.

### Administrative expenses

General and administration expenses increased by £2.5 million to £6.5 million for 2017 (2016: £4.0 million). Payroll related costs increased by £1.5 million to £3.9 million in 2017 (2016: £2.4 million) following investment in some key permanent hires. Legal fees increased by £0.5 million, reflecting the Company's commitment to defending its IP and securing the appropriate value from this IP.

### Finance and other income

The gain recognised in the income statement on disposal of available for sale financial assets during the year was £9.1 million (2016: nil), reflecting the disposal of most of the holding in Arrowhead Pharmaceuticals during the year. In addition, finance and other income included a credit of £1.3 million reflecting a release from the currency translation reserve following the dissolution of the Group's US subsidiary, Intradigm Inc. Bank interest included in finance income decreased to nil (2016: £0.2 million) due to negative interest on Euro cash balances offsetting interest on Sterling balances. The foreign exchange gain was £0.2 million (2016: £1.4 million), mainly on Euro cash balances.

### Taxation

During the year, the Company received a research and development tax credit of £2.0 million in the UK in respect of R&D expenditure in 2016. The Company has accrued £1.8 million recognising a current tax asset in respect of 2017 research and development tax credits.

### Liquidity, cash and cash equivalents

The Group's cash and cash equivalents at year end totalled £42.7 million, (2016: £39.0 million). The cash spent on operations was £11.6 million (2016: £11.7 million) against an operating loss of £14.4 million (2016: £11.9 million). The cash received on the disposal of the Company's Arrowhead Pharmaceuticals holding (£18.1 million) further strengthened the cash position.

## Other balance sheet items

Current trade and other receivables decreased by £0.7 million to £0.7 million at the end of 2017 (2016: £1.4 million). This reflects the collection during 2017 of £0.8 million of 2016 revenue under the licence agreement with Quark.

Trade and other payables increased from £1.6 million in 2016 to £2.7 million in 2017, due to increased accruals including for legal costs (£0.2 million), contract research organisation costs (£0.2 million), and for social security on share options as required by accounting standards to reflect a significant increase in the share price (£0.3 million).

Financial assets available for sale at the 2017 year-end of £0.3 million (2016: £4.4 million) were the remaining ordinary shares held in Arrowhead Pharmaceuticals, and were subsequently sold on 2 January 2018.

Goodwill at year end was £8.0 million (2016: £7.7 million). The movement in goodwill during the year related to foreign exchange.

## Post year end events

On 17 January 2018 the European Patent Office granted a further European patent (EP 1857547B) to Silence protecting Silence's key siRNA chemical modifications that read widely across the RNAi industry.

On 2 January 2018, the Company announced the disposal of the final portion of Arrowhead Pharmaceuticals shares in January 2018 with cumulative proceeds totaling $24.7 million and a cash balance of £43 million as of 2 January 2018.

**David Ellam**
Chief Financial Officer & Company Secretary
6 March 2018

## Consolidated income statement

**year ended 31 December 2017**

| | year ended 31 December 2017 (unaudited) £000s | year ended 31 December 2016 (audited) £000s |
|---|---|---|
| Revenue | 16 | 770 |
| Research and development costs | (7,943) | (8,711) |
| General & administration expenses | (6,464) | (3,965) |
| Operating loss | (14,391) | (11,906) |
| Realised gain on disposals of available-for-sale financial assets | 9,066 | - |
| Reclassification of foreign exchange gains on liquidation of overseas subsidiary | 1,344 | - |
| Finance and other income | 206 | 1,544 |
| Loss for the year before taxation | (3,775) | (10,362) |
| Taxation | 2,157 | 1,922 |
| Loss for the year after taxation | (1,618) | (8,440) |
| Loss per ordinary share (basic and diluted) | (2.3p) | (12.1p) |

## Consolidated statement of comprehensive income

**year ended 31 December 2017**

| | year ended 31 December 2017 (unaudited) £000s | year ended 31 December 2016 (audited) £000s |
|---|---|---|
| Loss for the year after taxation | (1,618) | (8,440) |
| **Other comprehensive income:** | | |
| Foreign exchange differences arising on consolidation of foreign operations | 404 | 1,705 |
| Reclassification of foreign exchange gains on liquidation of overseas subsidiary | (1,344) | - |
| Fair value movements on available-for-sale financial assets | 9,104 | 118 |
| Reclassification of fair value movements on disposal of available-for-sale financial assets | (9,066) | - |
| Total comprehensive expense for the year | (2,520) | (6,617) |

## Consolidated balance sheet

**at 31 December 2017**

| | year ended 31 December 2017 (unaudited) £000s | year ended 31 December 2016 (audited) £000s |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 1,170 | 1,375 |
| Goodwill | 8,029 | 7,709 |
| Other intangible assets | 28 | 45 |
| Available-for-sale financial assets | - | 4,417 |
| Other receivables | 233 | 236 |
| | 9,460 | 13,782 |
| **Current assets** | | |
| Trade and other receivables | 733 | 1,397 |
| R&D tax credit receivable | 1,750 | 1,600 |
| Investments held for sale | - | 3 |
| Available-for-sale financial assets | 319 | - |
| Cash and cash equivalents | 42,745 | 39,012 |
| | 45,547 | 42,012 |
| **Current liabilities** | | |
| Trade and other payables | (2,657) | (1,610) |
| **Net assets** | 52,350 | 54,184 |
| **Capital and reserves attributable to the company's equity holders** | | |
| Share capital | 3,500 | 3,490 |
| Capital reserves | 163,215 | 163,641 |
| Translation reserve | 2,063 | 3,003 |
| Accumulated losses | (116,428) | (115,950) |
| **Total equity** | 52,350 | 54,184 |

## Consolidated statement of changes in equity

**year ended 31 December 2017**

| (Unaudited) | Share Capital £000s | Capital Reserves £000s | Translation Reserve £000s | Accumulated Losses £000s | Total £000s |
|---|---|---|---|---|---|
| **At 1 January 2017** | 3,490 | 163,641 | 3,003 | (115,950) | 54,184 |
| Recognition of share-based payments | - | 638 | - | - | 638 |
| Lapse of vested options | - | (1,015) | - | 1,015 | - |
| Options exercised in the year | - | (87) | - | 87 | - |
| Proceeds from shares issued | 10 | 38 | - | - | 48 |
| **Transactions with owners** | 10 | (426) | - | 1,102 | 686 |
| Loss for year | - | - | - | (1,618) | (1,618) |
| **Other comprehensive income** | | | | | |
| Foreign exchange differences arising on consolidation of foreign operations | - | - | 404 | - | 404 |
| Reclassification of foreign exchange gains on liquidation of overseas subsidiary | - | - | (1,344) | - | (1,344) |
| Fair value movements on available-for-sale financial assets | - | - | - | 9,104 | 9,104 |
| Reclassification of fair value movements on disposal of available-for-sale financial assets | - | - | - | (9,066) | (9,066) |
| **Total comprehensive expense for the year** | - | - | (940) | (1,580) | (2,520) |
| **At 31 December 2017** | 3,500 | 163,215 | 2,063 | (116,428) | 52,350 |

**year ended 31 December 2016**

| | Share Capital £000s | Capital Reserves £000s | Translation Reserve £000s | Accumulated Losses £000s | Total £000s |
|---|---|---|---|---|---|
| **At 1 January 2016** | 3,490 | 165,074 | 1,298 | (109,435) | 60,427 |
| Recognition of share-based payments | - | 475 | - | - | 475 |
| Lapse of vested options in year | - | (843) | - | 843 | - |
| Share options repurchased | - | (1,065) | - | 964 | (101) |
| Proceeds from shares issues | - | - | - | - | - |
| **Transactions with owners** | - | (1,433) | - | 1,807 | 374 |
| Loss for year | - | - | | (8,440) | (8,440) |
| **Other comprehensive income** | | | | | |
| Exchange differences arising on consolidation of foreign operations | - | - | 1,705 | - | 1,705 |
| Unrealised loss on financial assets available-for-sale | - | - | - | 118 | 118 |
| **Total comprehensive expense for the year** | - | - | 1,705 | (8,322) | (6,617) |
| **At 31 December 2016** | 3,490 | 163,641 | 3,003 | (115,950) | 54,184 |

## Consolidated cash flow statement

**Year ended 31 December 2017**

| | year ended 31 December 2017 (unaudited) £000s | year ended 31 December 2016 (audited) £000s |
|---|---|---|
| **Cash flow from operating activities** | | |
| Loss before tax | (3,775) | (10,362) |
| Depreciation charges | 414 | 302 |
| Amortisation charges | 19 | 8 |
| Charge for the year in respect of share-based payments | 638 | 475 |
| Realised gain on disposals of available-for-sale financial assets | (9,066) | - |
| Reclassification of foreign exchange gains on liquidation of overseas subsidiary | (1,344) | - |
| Finance and other income | (206) | (1,544) |
| Impairment of investment | 3 | - |
| Decrease/(Increase) in trade and other receivables | 664 | (1,030) |
| Increase in trade and other payables | 1,047 | 491 |
| Cash spent on operations | (11,606) | (11,660) |
| Corporation tax credits received | 2,007 | 1,594 |
| **Net cash outflow from operating activities** | (9,599) | (10,066) |
| **Cash flow from investing activities** | | |
| Acquisition of available-for-sale financial assets | (4,921) | (4,299) |
| Disposal of financial assets available for sale | 18,123 | - |
| Interest (paid) / received | (15) | 161 |
| Purchase of property, plant and equipment | (173) | (492) |
| Purchase of intangible assets | - | (45) |
| **Net cash (outflow)/inflow from investing activities** | 13,014 | (4,675) |
| **Cash flow from financing activities** | | |
| Proceeds from issue of share capital | 48 | - |
| Share options repurchased | - | (101) |
| **Net cash inflow/(outflow) from financing activities** | 48 | (101) |
| **Increase/(decrease) in cash and cash equivalents** | 3,463 | (14,842) |
| Cash and cash equivalent at start of year | 39,012 | 51,907 |
| Net increase/(decrease) in the year | 3,463 | (14,842) |
| Effect of exchange rate fluctuations on cash held | 270 | 1,947 |
| **Cash and cash equivalent at end of year** | 42,745 | 39,012 |

## Notes to the financial statements
**year ended 31 December 2017**

**1. Basis of Preparation and Accounting Policies**
Silence Therapeutics plc ("the Company") and its subsidiaries (together "the Group") are primarily involved in the research and development of novel pharmaceutical products. Silence Therapeutics plc, a Public Limited Company incorporated and domiciled in England, is the Group's ultimate parent Company. The address of Silence Therapeutic plc's registered office is 27-28 Eastcastle Street, London W1W 8DH and the principal place of business is 72 Hammersmith Road, London W14 8TH.

The unaudited financial information set out in this statement does not constitute the Company's statutory accounts for the years ended 31 December 2017 or 31 December 2016, as defined in section 434 of the Companies Act 2006. The auditors have not yet reported on the 2017 accounts.

Statutory accounts for 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered in due course. The Company's auditors PricewaterhouseCoopers LLP, have reported on the 2016 accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498 (2) or (3) Companies Act 2006. Whilst the financial information included in this announcement has been computed in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") this announcement does not itself contain sufficient information to comply with IFRS.

The principal accounting policies used in preparing this preliminary results announcement are those that the Company will apply in its statutory accounts for the year ended 31 December 2017 and are unchanged from those disclosed in the Company's Annual Report and Accounts for the year ended 31 December 2016.

Full financial statements for the year ended 31 December 2017 will be posted to shareholders in March 2018.

**2. Going concern**
The financial statements have been prepared on a going concern basis that assumes that the Company will continue in operational existence for the foreseeable future.

During the year, the Company met its day-to-day working capital requirements through existing cash resources. The Company had a net increase in the cash and cash equivalent in the year ended 31 December 2017 of £3.5 million and at 31 December 2017 had cash balances of £42.75 million. The Directors have reviewed the working capital requirements of the Company for the next 12 months from the date of the approval of these preliminary financial statements and are confident that these can be met.

**3. Segment reporting**
In the year ended 31 December 2017, the Group operated in the specific technology field of RNA therapeutics.

**Business segments**
The Group has identified the Chief Executive Officer as the Chief Operating Decision Maker ("CODM"). For the 12 months ended 31 December 2016 and 2017, the CODM determined the Group had one business segment, the development of RNAi based medicines. This is in line with reporting to the

Executive Committee and senior management. The information used internally by the CODM is the same as that disclosed in the Financial Statements.

An analysis of the group's assets and revenues by location is shown below:

| Non-current assets | UK £000s | Germany £000s | Total £000s |
|---|---|---|---|
| As at 31 December 2017 | 611 | 8,849 | 9,460 |
| As at 31 December 2016 | 5,113 | 8,669 | 13,782 |

| Revenue Analysis | year ended 31 December 2017 (unaudited) £'000s | year ended 31 December 2016 (audited) £000s |
|---|---|---|
| Research collaboration | 16 | - |
| Revenue from licencing | - | 770 |

The country of registration of the single fee-paying party is the USA (2016: Israel). The revenue was billed and received in US Dollars (2016: US Dollars).

**4. Loss per share**

The loss per share is based on the loss for the year after taxation attributable to equity holders of £1.62 million (2016: loss £8.44 million) and on the weighted average of 69,942,558 ordinary shares in issue during the year (2016: 69,801,624).

The options outstanding at 31 December 2017 and 31 December 2016 are considered to be non-dilutive in that their conversion into ordinary shares would decrease the net loss per share. Consequently, there is no diluted loss per share to report for the years reported.

**5. Related party transactions**

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There are no other related party transactions which would require disclosure.